

NOTICES OF EXEMPT RULEMAKING

The Administrative Procedure Act requires the *Register* publication of the rules adopted by the state's agencies under an exemption from all or part of the Administrative Procedure Act. Some of these rules are exempted by A.R.S. §§ 41-1005 or 41-1057; other rules are exempted by other statutes; rules of the Corporation Commission are exempt from Attorney General review pursuant to a court decision as determined by the Corporation Commission.

NOTICE OF EXEMPT RULEMAKING

TITLE 6. ECONOMIC SECURITY

CHAPTER 5. DEPARTMENT OF ECONOMIC SECURITY

SOCIAL SERVICES

PREAMBLE

1. **Sections Affected**

<u>Sections Affected</u>	<u>Rulemaking Action</u>
Article 49	New Article
R6-5-4901	New Section
R6-5-4902	New Section
R6-5-4903	New Section
R6-5-4904	New Section
R6-5-4905	New Section
R6-5-4906	New Section
R6-5-4907	New Section
R6-5-4908	New Section
R6-5-4909	New Section
R6-5-4910	New Section
R6-5-4911	New Section
R6-5-4912	New Section
R6-5-4913	New Section
R6-5-4914	New Section
R6-5-4915	New Section
R6-5-4916	New Section
R6-5-4917	New Section
R6-5-4918	New Section
R6-5-4919	New Section
R6-5-4920	New Section
R6-5-4921	New Section
R6-5-4922	New Section
Appendix A	New Appendix
2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing Statute:	A.R.S. §§ 41-1954(A)(3), 46-134(12), and 46-809
Implementing Statute:	A.R.S. §§ 46-801 through 46-810
Statute Authorizing the Exemption:	Laws 1997, Chapter 300, § 74(A)
3. **The effective date of the rules:**

July 31, 1997
4. **A list of all previous notices appearing in the Register addressing the exempt rule:**

None
5. **The name and address of agency personnel with whom persons may communicate regarding the rule:**

Name:	Vista Thompson Brown
Address:	Department of Economic Security 1789 West Jefferson, Site Code 837A Phoenix, Arizona 85007 or

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Department of Economic Security
P.O.Box 6123, Site Code 837A
Phoenix, Arizona 85005

Telephone: (602) 542-6555

Fax Number: (602) 542-6000

6. An explanation of the rule, including the agency's reason for initiating the rule, including the statutory citation to the exemption from the regular rulemaking procedures:

Laws 1997, Chapter 300, § 74(A) gives the Department an exemption from the Administrative Procedure Act for the purpose of developing or revising rules to implement the requirements of Senate Bill 1357 (The Welfare Reform Bill).

Pursuant to A.R.S. §§ 46-801 through 46-810, this Article governs eligibility for Child Care Assistance for individuals who are: attempting to achieve independence from Cash Assistance through employment; low income and need Child Care Assistance to maintain employment; teen parents who need Child Care Assistance to attain a high school diploma or a G.E.D. certificate; incapable of providing care to their own children due to physical, mental, or emotional disability; residents of a homeless or domestic violence shelter; or referred by Child Protective Services as documented in a CPS or foster care case plan.

The provisions of this Article describe how to access Child Care Assistance, who is eligible, the amount of assistance an individual may receive for an eligible activity or need, income eligibility requirements, allowable child care providers for DES Child Care Assistance, and other program requirements.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The summary of the economic, small business, and consumer impact:

Because these rules are exempt from the Administrative Procedure Act under Laws 1997, Chapter 300, § 74(A), the Department did not prepare an economic impact statement.

9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

Not applicable

10. A summary of the principle comments and the agency response to them:

Not applicable

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rule:

Not applicable

13. Was this rule previously adopted as an emergency rule?

No

14. The full text of the rules follows:

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CHAPTER 5. DEPARTMENT OF ECONOMIC SECURITY

SOCIAL SERVICES

ARTICLE 49. CHILD CARE ASSISTANCE

Section

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ARTICLE 49. CHILD CARE ASSISTANCE

R6-5-4901. Definitions

The following definitions apply to this Article:

1. "Adequate notice" means a notice which explains the action the Department intends to take, the reason for the action, the specific authority for the action, the client's appeal rights, and right to benefits pending appeal, and which is mailed before the effective date of the action.
2. "Appellant" means an applicant or recipient of assistance who is appealing a negative action by the Department.

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3. "Applicant" means a person who has filed an application for Child Care Assistance with the Department.
4. "Authorized" means a specific amount of Child Care Assistance has been authorized for an eligible family for a specific period of time to allow reimbursement of a DES registered provider for child care services.
5. "CCA" means the DES Child Care Administration.
6. "Cash Assistance" means a program administered by the Family Assistance Administration which provides temporary Cash Assistance to needy families.
7. "Cash Assistance participant" means a recipient of Cash Assistance.
8. "Child care" means the compensated service that is provided to a child who is unaccompanied by a parent or guardian during a portion of a 24-hour day.
9. "Child Care Assistance" means any money payments for child care services that are paid by the Department and that are paid for the benefit of an eligible family.
10. "Child Care Provider" means child care facilities licensed pursuant to A.R.S. Title 36, Chapter 7.1, Article 4, child care home providers, in-home providers, noncertified relative providers, and regulated child care on military installations or federally recognized Indian Tribes.
11. "Client" means a person who has applied for, requested, has been referred for, or who is currently receiving Child Care Assistance.
12. "Convert" means to reestablish eligibility for a current client who is determined eligible under A.R.S. § 46-801 through 46-810 and this Article.
13. "Countable income" means the amount of gross income for the individuals included in family size which the Department considers to determine eligibility and calculate an assistance amount.
14. "CPS or Child Protective Services" means the child welfare services administration within the Department's Division of Children, Youth, and Family Services.
15. "Current client" means a person who:
 - a. Is receiving child care on the effective date of these rules; and
 - b. Has continuously received Child Care Assistance since on or before July 31, 1997.
16. "Day" means a calendar day unless otherwise specified.
17. "DDD" means the Division of Developmental Disabilities.
18. "Denial" means a formal decision of ineligibility on an application, referral, or request for Child Care Assistance.
19. "Department" means the Arizona Department of Economic Security.
20. "Dependent" means a person under the age of 18, who resides with the applicant and whom the applicant has the legal financial obligation to support.
21. "DES-certified child care provider" means a provider who is certified under A.R.S. § 36-895(B) and (C) and who provides care in either the child's or the provider's own home.
22. "DHS-certified group home" means a provider who is certified under A.R.S. § 36-897.01.
23. "DHS-licensed child care center" means a provider who holds a license as prescribed in A.R.S. § 36-892.
24. "Eligibility criteria" means the requirements an individual or family must meet to receive Child Care Assistance.
25. "Eligible activity" means a specific type of activity which causes an applicant or recipient and any other parent or responsible person in the eligible family to be unavailable to provide care to their children for a portion of a 24-hour day, and which partially determines the amount of Child Care Assistance an eligible family shall receive.
26. "Eligible family" means a group of persons whose needs, income, and other circumstances are considered as a whole for the purpose of determining eligibility and amount of Child Care Assistance.
27. "Eligible need" means a specific type of need which causes an applicant or recipient, and any other parent or responsible person in the eligible family, to be unavailable or incapable to provide care to their children for a portion of a 24-hour day, and which partially determines the amount of Child Care Assistance an eligible family shall receive.
28. "E.S.O.L." means English for Speakers of Other Languages.
29. "Family size" means the applicant, responsible person, and their dependents who reside in the same household. A man and woman legally married, not living in the same household but with the intention of remaining a family, shall be included in the family size. When the applicant requests Child Care Assistance for other related children or children in guardianship in addition to his or her own children, all children shall be included in family size. When foster parents are applying for Child Care Assistance for their own children, the foster child shall not be considered a member of the foster parent's family.
30. "Federal poverty level" (FPL) means the poverty guidelines that are issued by the United States Department of Health and Human Services pursuant to Section 673(2) of the Omnibus Reconciliation Act of 1981; that are reported annually in the Federal Register; which are converted into monthly amounts by the Department; which shall become effective for use in determining eligibility for Child Care Assistance on the 1st day of the state fiscal year immediately following the publication of the annual amount in the Federal Register.
31. "Foster care" means a child placed in a foster home by the Department or an Arizona tribe.
32. "Foster parent" means any person licensed by DES or an Arizona tribe to provide out-of-home care for a foster child.
33. "G.E.D." means General Educational Development.
34. "Homebred" means a person who is confined to the home because of physical or mental incapacity.
35. "Homeless shelter" means a public or private nonprofit program that is targeted to assist homeless families and is designed to provide temporary or transitional living accommodations and a program of services to assist such families toward self sufficiency.
36. "Income" means earned and unearned income combined.
37. "JOBS" or "Job Opportunities and Basic Skills Training Program" means the program which assists Cash Assistance participants to prepare for, obtain, and retain employment. "JOBS" Program also means the Tribal JOBS Program and any other entities who contract with the state to perform this function.
38. "JOBS participant" means a Cash Assistance participant who is participating in the JOBS program as a condition of receiving Cash Assistance.
39. "Local office" means a CCA office which is designated as the office in which Child Care Assistance applications and other documents are filed with the Department and in which eligibility and assistance amounts are determined.
40. "Lump sum income" means a single payment of earned or unearned income, such as retroactive monthly benefits,

- non-recurring pay adjustments or bonuses, inheritances, or personal injury and workers' compensation awards.
41. "Mailing date" when used in reference to a document sent 1st class, postage prepaid, through the United States mail, means the date:
 - a. Shown on the postmark;
 - b. Shown on the postage meter mark of the envelope, if there is no postmark; or
 - c. Entered on the document as the date of its completion, if there is no legible postmark or postage meter mark.
 42. "Minor parent" means an unwed parent under the age of 18 living with his or her own parents.
 43. "Negative action" means 1 of the Department actions described in R6-5-4918, including action to terminate assistance or increase the fee level and copayment for Child Care Assistance.
 44. "Noncertified relative provider" means a person who is at least 18 years of age, who provides child care services to an eligible child, who is by affinity or consanguinity or by court decree the grandparent, great-grandparent, sibling not residing in the same household, aunt, great aunt, uncle, or great uncle of the eligible child and who meets the Department's requirements to be a noncertified relative provider.
 45. "Nonparent relative" means a caretaker relative who exercises responsibility for the day-to-day physical care, guidance, and support of a child who physically resides with the relative and who is by affinity or consanguinity or by court decree a grandparent, great-grandparent, sibling of the whole or half blood, stepbrother, stepsister, aunt, uncle, great aunt, great uncle, or 1st cousin.
 46. "Notice date" means the date which appears as the official date of issuance on a document or official written notice the Department sends or gives to an applicant or recipient.
 47. "OST" or "Office of Special Investigations" means the Department office to which CCA refers cases for investigation of certain eligibility information, investigation and preparation of fraud charges, coordination and cooperation with law enforcement agencies and other similar functions.
 48. "Other related child" means a child who is related to the applicant or recipient, and who is not the applicant's or recipient's natural, step, or adoptive child.
 49. "Overpayment" means a Child Care Assistance payment received by a child care provider or for an eligible family which exceeds the amount to which the provider or family was lawfully entitled.
 50. "Parent" means the biological parent whose name appears on the birth certificate or who has legally acknowledged or had an adjudication of paternity, or the adoptive parent of the child.
 51. "Positive action" means the approval, increase, or resumption of service such as increasing the amount of assistance or decreasing the fee level and copayment.
 52. "Recipient" means a person who is a member of an eligible family receiving Child Care Assistance.
 53. "Request for Hearing" means a clear written expression by an applicant or recipient, or such person's representative, indicating a desire to present the case or issue to a higher authority.
 54. "Responsible person" means 1 or more persons, residing in the same household, who have the legal responsibility to financially support:

- a. One or more of the children for whom Child Care Assistance is being requested, or
 - b. The applicant or recipient for Child Care Assistance.
55. "Review" means a review of all factors affecting an eligible family's eligibility and assistance amount.
 56. "Work" means the performance of duties on a regular basis for wages or salary.

R6-5-4902. Scope and Application

- A. The Department shall apply the Child Care Assistance rules set forth in Article 51, and A.A.C. R6-12-612, R6-12-613, R6-12-614, R6-12-615, R6-12-616, and R6-12-617 to:
 1. All clients who have not completed the redetermination process as prescribed in R6-5-4903(A); and
 2. All clients whose Child Care Assistance is being terminated and phased out as prescribed in R6-5-4903(C) and R6-5-4922.
- B. The Department shall apply the Child Care Assistance rules set forth in this Article and Article 49 to:
 1. All persons who apply for Child Care Assistance on or after August 1, 1997;
 2. All clients whose cases are converted following redetermination as prescribed in R6-5-4903(B) and (D).
- C. This Section is automatically repealed on July 31, 1998.

R6-5-4903. Redetermination of Eligibility

- A. Effective August 1, 1997, through December 31, 1997, the Department shall redetermine eligibility for all current clients as prescribed in A.R.S. § 46-803(L).
- B. The Department shall conduct redeterminations of eligibility on the client's regularly scheduled review date or when the client submits a change of information, whichever occurs 1st. The Department shall convert or phase out current clients based on the redetermination of eligibility.
- C. The Department shall terminate eligibility no later than June 30, 1998, for current clients who do not meet the eligibility criteria set forth in A.R.S. §§ 46-801 through §§ 46-810 and this Article, as prescribed in R6-5-4922.
- D. The Department shall convert current clients no later than June 30, 1998, who meet eligibility criteria set forth in A.R.S. §§ 46-801 through 46-810 and this Article, as prescribed in this Section.
- E. This Section is automatically repealed on July 31, 1998.

R6-5-4904. Access to Child Care Assistance

- A. Application for Child Care Assistance.
 1. Any person may apply for Child Care Assistance by filing, either in person or by mail, a Department-approved application form with any CCA office.
 2. The application file date is the date any CCA office receives an identifiable application. An identifiable application contains, at a minimum, the following information:
 - a. The legible name and address of the person requesting assistance; and
 - b. The signature, under penalty of perjury, of the applicant or, if the applicant is incompetent or incapacitated, someone legally authorized to act on behalf of the applicant.
 3. In addition to the identifiable information described in subsection (A)(2), a completed application shall contain:
 - a. The names of all persons living with the applicant and the relationship of those persons to the applicant, and
 - b. All other eligibility information requested on the application form.
- B. Request for Child Care Assistance.

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1. Cash Assistance participants who need Child Care Assistance for employment activities are not required to complete an application.
2. Child Care Assistance for Cash Assistance participants may begin effective the start date of the eligible activity but not earlier than the date that the participant requests Child Care Assistance from a local CCA office after the Department has verified eligibility criteria.

C. Referral for Child Care Assistance.

1. JOBS Participants. Cash Assistance participants in JOBS-approved work participation activities who request child care shall be referred by the JOBS Program for Child Care Assistance.
2. Child Protective Services Families (CPS). CPS shall refer families that CPS deems eligible for Child Care Assistance on a case-by-case basis.
3. CPS and DDD Foster Families - CPS or DDD shall determine eligibility for and refer children in the care, custody, and control of DES who need child care services as documented in a foster care case plan.

R6-5-4905. Initial Eligibility Interview

- A.** Upon receipt of an identifiable application, the Department shall schedule an initial eligibility interview for the applicant. Upon request, the Department shall conduct the interview at the residence of a person who is homebound.
- B.** The applicant shall attend the interview. A person of the applicant's choosing may also attend the interview.
- C.** The Department may conduct a telephone interview if the applicant has previously verified citizenship or legal residency status as prescribed in R6-5-4911(E).
- D.** During the interview, a Department representative shall:
 1. Assist the applicant in completing the application form;
 2. Witness the signature of the applicant;
 3. Discuss information pertinent to the applicant's child care needs;
 4. Provide the applicant with written information explaining:
 - a. The terms, conditions, and obligations of the Child Care Assistance program;
 - b. Any additional verification information as prescribed in R6-5-4906 which the applicant must provide for the Department to conclude the eligibility evaluation;
 - c. The Department practice of exchanging eligibility and income information among Department programs;
 - d. The coverage and scope of the Child Care Assistance program;
 - e. The applicant's rights, including the right to appeal a negative action; and
 - f. The requirement to report all changes within 2 work days from the date the change becomes known;
 5. Review the penalties for perjury and fraud, as printed on the application;
 6. Explain to the applicant who is included in family size for the purpose of determining income eligibility, and whose availability is considered in determining the amount of Child Care Assistance authorized for each child needing care as prescribed in R6-5-4914(D);
 7. Review any verification information already provided;
 8. Explain the applicant's duties to:
 - a. Notify the Department regarding initial provider selection or changes in provider in advance of using services or changing providers.
 - b. Pay DES required copayments to the child care provider as assigned by the Department, and

- c. Pay any additional charges to the provider for the cost of care in excess of the amount paid by the Department.

9. Review all ongoing reporting requirements, and explain that the applicant may incur overpayments for failure to make timely reports.

R6-5-4906. Verification of Eligibility Information

- A.** The Department shall obtain independent verification or corroboration of information provided by the client when required by law, or when it is necessary to determine eligibility, fee level and copayment assignment, or service authorization amount.
- B.** The Department may verify or corroborate information by any reasonable means including:
 1. Contacting 3rd parties such as employers and educational institutions,
 2. Asking the client to provide written documentation such as pay stubs or school schedules, and
 3. Conducting a computer data match through other Department programs' computer systems.
- C.** The client is responsible for providing all required verification. The Department shall offer to assist a client who has difficulty in obtaining the verification and requests help.
- D.** A client shall provide the Department with all requested verification within 10 calendar days from the notice date of a written request for such information. When a client does not timely comply with a request for information, the Department shall deny the application as provided in R6-5-4908(B).

R6-5-4907. Withdrawal of An Application

- A.** An applicant may withdraw an application at any time prior to its disposition by providing the Department with a written request for withdrawal signed by the applicant.
- B.** If an applicant makes an oral request to withdraw an application:
 1. The Department shall accept the oral request, provide the applicant with a written withdrawal form, and request that the applicant complete the form and return it to the Department. The Department shall inform the applicant of the consequences of not returning the withdrawal form within 10 days of the notice date.
 2. If the applicant fails to return the completed withdrawal form, the Department shall deny the application for failure to provide information unless the applicant rescinds the oral withdrawal request within 10 days of the date the Department provides the applicant a withdrawal form.
- C.** A withdrawal is effective as of the application file date unless the applicant specifies a different date on the withdrawal form.
- D.** An application that has been withdrawn shall not be reinstated; an applicant who has withdrawn an application shall reapply anew.

R6-5-4908. Child Care Assistance Approvals and Denials

- A.** The Department shall complete the eligibility determination within 30 calendar days of the application file date or referral receipt date, unless:
 1. The application or referral is withdrawn.
 2. The application or referral is rendered moot because the applicant has died or cannot be located, or
 3. There is a delay resulting from a Department request for additional verification information as provided in R6-5-4906(D).
- B.** The Department shall deny Child Care Assistance when the applicant fails to:
 1. Complete the application and an eligibility interview, as described in R6-5-4905;

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2. Submit all required verification information within 10 days of the notice date of a written request for verification, or within 30 days of the application file date which ever is later; or
 3. Cooperate during the eligibility determination process as required by R6-5-4911(A).
- C.** When an applicant satisfies all eligibility criteria, the Department shall determine the service authorization amount, the fee level and copayment amount (if applicable), approve Child Care Assistance, and send the applicant an approval notice. The approval notice shall include the amount of assistance, fee level and copayment information, and an explanation of the applicant's appeal rights.

R6-5-4909. 12-Month Review

- A.** The Department shall complete a review of all eligibility factors for each client at least once every 12 months, beginning with the 12th month following the 1st month of Child Care Assistance eligibility.
- B.** The Department may elect to review eligibility factors more frequently than every 12 months.
- C.** At least 30 days prior to the 12-month review date, the Department shall mail the client a notice advising of the need for a review, and the requirement to submit a completed review application and verification of income and other eligibility factors for the most recent calendar month.
- D.** In response to such notice, the client shall mail or deliver to the Department a completed review application and verification by the date on the notice.
- E.** The Department shall verify the client's income and any eligibility factors which have changed or are subject to change.
- F.** The Department shall terminate Child Care Assistance effective the review date and deny the review application if the client:
1. Fails to submit the review application by the review date, or
 2. Fails to submit requested verification by the review date as required by the Department for a redetermination of eligibility.
- G.** If the client submits the review application and required verification within 30 days after the review date, the Department shall not require the client to appear for an intake interview and shall approve Child Care Assistance effective the date that the application and verification were received if other eligibility criteria are met.

R6-5-4910. Reinstatement of Assistance

- A.** If the Department has terminated Child Care Assistance, the Department shall not reinstate assistance unless the client files a new application.
- B.** Notwithstanding subsection (A), the Department shall reinstate assistance within 10 calendar days when:
1. Termination was due to Department error; the Department shall reinstate assistance effective the date following the date of termination;
 2. The Department receives a court order or administrative hearing decision mandating reinstatement; the Department shall reinstate assistance effective the date prescribed by the court order or hearing decision; or
 3. The recipient files a request for a fair hearing within 10 days of the notice date of the termination notice and requests that assistance be continued pending the outcome of an appeal; the Department shall reinstate assistance effective the date following the date of termination.

R6-5-4911. General Eligibility Criteria

- A.** Applicant and Recipient Responsibility.

1. An applicant for or recipient of Child Care Assistance shall cooperate with the Department as a condition of initial and continuing eligibility. The client shall:
 - a. Give the Department complete and truthful information;
 - b. Inform the Department of all changes in income, eligible activities as described in R6-5-4912, work or school schedules, or other circumstances affecting eligibility or the amount of assistance authorized, within 2 work days from the date the change becomes known; and
 - c. Comply with all the Department's procedural requirements.
 2. The Department may deny an application for or reduce or terminate assistance, if the client fails or refuses to cooperate with the Department to determine eligibility as requested.
- B. Eligible Applicants.**
1. In order to be considered an eligible applicant for Child Care Assistance, a client shall reside with the child needing care and shall be a relative or guardian as described in this Section.
 - a. The parent of the child for whom assistance is being requested; or
 - b. The nonparent relative related by either blood, adoption, or marriage to the child for whom assistance is requested: brother, sister, aunt, uncle, 1st cousin, grandmother, grandfather, and persons of preceding generations as denoted by "grand", "great", or "great-great".
 - c. A court-appointed legal guardian for the child for whom assistance is requested, or a person who can provide documentation from the court that the process of legal guardianship has been initiated.
 2. Acceptable verification of guardianship shall include the following court documents:
 - a. Petition for Temporary Appointment of Guardian (date stamped as received by the court);
 - b. Petition for Permanent Appointment of Guardian (date stamped as received by the court);
 - c. Order of Appointment of a Temporary Guardian;
 - d. Order of Appointment of a Permanent Guardian;
 - e. Letters and Acceptance of Permanent Guardianship.
 3. If the client has not been appointed as a guardian when the Department authorizes Child Care Assistance, the client shall to continue the legal process for appointment in order to retain eligibility for Child Care Assistance.
 4. The client shall verify relationship or guardianship status as requested by the Department.
- C. Arizona Residency.**
The client and the child for whom assistance is requested shall be Arizona residents and shall be physically present within Arizona.
- D. Age of the Child.**
An eligible child is birth through 12 years of age only; a child aged 13 or older is ineligible for Child Care Assistance.
- E. Citizenship and Legal Residency Requirements.**
1. The client shall be a United States citizen or shall be a legal resident of the United States.
 2. The client shall verify citizenship or legal residency status as requested by the Department by providing a birth certificate, naturalization documentation, or alien or immigration registration documentation from the U.S. Immigration and Naturalization Service (INS).
- F. Eligible Activity or Need.**

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1. The client, and any other parent or responsible person in the household, shall be engaged in an eligible activity or have an eligible need for Child Care Assistance as prescribed in R6-5-4912 which causes them to be unavailable to provide care to the child for whom assistance is requested.
2. Each parent or responsible person in the household shall have an eligible activity or need.

G. Availability of the Parent and Responsible Person.

1. The Department shall consider the availability of the client, and any other parent or responsible person in the household in determining eligibility and the amount of service authorized for each individual child needing care.
2. The parent and any other responsible person in the household shall be unavailable to provide care to the child for whom assistance is being requested for a portion of a 24-hour day due to an eligible activity or need.
3. In a family with more than 1 parent or responsible person, Child Care Assistance shall be authorized for the period of time that neither parent or responsible person is available due to an eligible activity or need only.

H. Provider Selection and Arrangements.

1. The Department shall not authorize Child Care Assistance until the applicant has selected a child care provider. An allowable child care provider for DES Child Care Assistance:
 - a. Shall be 1 of the following:
 - i. A DHS-licensed child care center;
 - ii. A DHS-certified group home;
 - iii. A DES-certified family child care home;
 - iv. A DES-certified in home care provider;
 - v. A DES-noncertified relative provider;
 - vi. A regulated provider meeting requirements established by military installations or federally recognized Indian Tribes.
 - b. Shall have a registration agreement with the Department.
2. The Department shall not authorize Child Care Assistance with a noncertified relative provider when:
 - a. Child Care Assistance is requested for a CPS referred family, or a CPS or DDD foster family;
 - b. Child Care Assistance is requested by a Cash Assistance participant and the relative is included in the Cash Assistance grant; or
 - c. The relative provider is included in family size as prescribed in R6-5-4914(D), or is the applicant for Child Care Assistance.
 - d. The relative is the natural, step, or adoptive parent of the child for whom assistance is requested.

R6-5-4912. Eligible Activity or Need

A. Eligible activities and needs for Child Care Assistance:

1. **Employment.**
Full or part-time employment for monetary compensation.
2. **Self Employment.**
Full or part time self employment for monetary compensation.
3. **Education and Training Activities with Minimum Work Requirement.**
A client who is employed shall be eligible to receive Child Care Assistance for education and training activities as prescribed in subsections (A)(3)(a), (b), and (c) below.
 - a. Post-secondary education in a college or trade school.

- i. The client is employed an average of at least 20 hours per week, per calendar month.
- ii. A self-employed client meets the 20-hour work requirement if the client's monthly net profit, divided by the current minimum wage standard, equates to the average 20-hour weekly work requirement.
- iii. The education or training activity is related to the client's employment goal.
- iv. The client's educational level is freshman or sophomore as defined by the educational institution, or the educational activities are in pursuit of an Associate Degree, or the client is in training at a vocational or trade school.
- v. The client shall maintain satisfactory progress in the educational activity and remain in good standing, as defined by the educational institution.
- vi. The client has not received more than the lifetime limit of 24 months of Child Care Assistance for education and training activities. Child Care Assistance authorized for educational activities before August 1, 1997 does not count toward the 24-month limit.
- vii. Countable months toward the 24-month limit are those calendar months in which the Department authorized additional child care services for education and training needs; the Department shall not calculate the 24-month limit based on monthly usage.
- viii. The client assumes full responsibility for employment goals and educational choices made; the Department is under no obligation to provide Child Care Assistance until educational or employment goals are attained.
- ix. The Department shall authorize Child Care Assistance for actual class time, time between classes as determined by the Department, and travel time to and from school only.
- x. Correspondence courses, home study courses, and study time are not eligible educational activities for Child Care Assistance.
- b. **High School, G.E.D., E.S.O.L., and Remedial Educational Activities for Adults age 20 and Older.**
 - i. The client is employed an average of at least 20 hours per week, per month.
 - ii. A self-employed client meets the 20-hour work requirement if the person's monthly net profit, divided by the current minimum wage standard, equates to the average 20-hour weekly work requirement.
 - iii. The educational or training activity is related to the client's employment goal.
 - iv. The client shall maintain satisfactory progress in the educational activity and remain in good standing, as defined by the educational institution.
 - v. The client has not received more than the lifetime limit of 12 months of Child Care Assistance for education and training activities described in this Section. Child Care Assistance authorized for educational activities before August 1, 1997, does not count toward the 12-month limit.
 - vi. Countable months toward the 12-month limit are those calendar months in which the Department

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- ment authorized additional child care services for education and training needs. The Department shall not calculate the 12-month limit based on monthly usage.
- vii. The client assumes full responsibility for employment goals and educational choices made; the Department is under no obligation to provide Child Care Assistance until educational and employment goals are attained.
- viii. Allowable educational activities are: attendance at high school, G.E.D. or E.S.O.L. classes, or remedial educational activities as determined allowable by the Department.
- ix. The Department shall authorize Child Care Assistance for actual class time, time between classes as determined by the Department, and travel time to and from school only.
- x. Correspondence courses, home study courses, and study time are not allowable educational activities for DES Child Care Assistance.
- c. Cash Assistance participants who are sanctioned due to IOBS noncompliance are ineligible for Child Care Assistance for education and training activities in any month when a IOBS sanction is applied to the Cash Assistance case, unless the education and training activities are IOBS approved.
4. Teen Parents in Education and Training Activities. Teen parents are eligible for Child Care Assistance for education and training activities according to the following criteria:
- a. The teen parent is under age 20.
- b. The teen parent is attending high school, G.E.D., or E.S.O.L. classes, or remedial educational activities in pursuit of a high school diploma.
- c. Child Care Assistance for teen parents for the educational activities described in this Section is not time limited. The teen parent shall continue to receive assistance for the educational activity if eligibility criteria are met and until the teen parent:
- i. Receives a diploma or certificate; or
- ii. Attains the age of 20 years, whichever occurs 1st.
- d. If the teen parent attends post-secondary educational activities, the eligibility criteria outlined under "Post-Secondary Education" in subsection (A)(3)(a) shall apply.
- e. The Department shall authorize Child Care Assistance for actual class time, time between classes as determined by the Department, and travel time to and from school only.
- f. Correspondence courses, home study courses, and study time are not allowable educational activities for Child Care Assistance.
- g. Cash Assistance participants who have been sanctioned due to IOBS noncompliance are ineligible for Child Care Assistance for education and training activities in any month that a IOBS noncompliance sanction is applied to the Cash Assistance case, unless the education and training activities are IOBS approved.
5. Participation in IOBS Approved Activities. Individuals participating in the IOBS Program and who receive Cash Assistance shall be eligible for Child Care Assistance if the following criteria are met.
- a. The individual is referred by a IOBS Program Specialist to CCA for Child Care Assistance.
- b. The individual is required to contact a local DES Child Care Office to notify CCA of the selection of a provider, and to cooperate with CCA to arrange child care services.
- c. The Child Care service authorization shall be based on the days and hours of the approved IOBS activity as specified by the IOBS Program Specialist in the IOBS referral.
- d. IOBS participants shall receive Child Care Assistance for IOBS approved educational and training activities only. Educational and training activities that are not IOBS approved are not eligible activities for Child Care Assistance for IOBS participants.
6. Unable or Unavailable to Provide Care. Client who are unable or unavailable to care for their own children for a portion of a 24-hour day are eligible for Child Care Assistance according to the following criteria.
- a. Clients who are unable to care for their own children due to a physical, mental, or emotional disability are eligible for Child Care Assistance when the diagnosis, inability to care for the children, and anticipated recovery date (or the date of the next medical evaluation) have been verified by a licensed physician, certified psychologist, or certified behavioral health specialist.
- b. The Department shall authorize Child Care Assistance to cover:
- i. The amount of time the client is unable to care for the child; and
- ii. The amount of time needed for ongoing treatment for the specified condition as verified by the physician, certified psychologist, or certified behavioral health specialist.
- c. Child Care Assistance shall not cover intermittent and routine appointments that are not part of an ongoing treatment plan.
- d. Clients participating in a drug rehabilitation program are eligible for Child Care Assistance to participate in activities as specified by the drug rehabilitation program.
- e. Clients participating in a court-ordered community service program are eligible for Child Care Assistance to support required community service participation as specified by the court.
- f. Clients who are residents of a homeless or domestic violence shelter are eligible for Child Care Assistance based on shelter residency, and on verification provided by an authorized representative at the shelter. Child Care Assistance shall cover:
- i. The days and hours that the client is unavailable to provide care to their own child due to participation in shelter-directed activities as verified by an authorized representative of the shelter; and
- ii. The days and hours that the client is unable to provide care to the client's own child due to a physical, mental, or emotional disability as verified by a licensed physician, certified psychologist, or a certified behavioral health specialist.
7. CPS Referred Families and CPS and DDD Foster Families.
- a. Child Care Assistance shall be provided to families requiring assistance as documented in a CPS case plan, or to children who are in the care, custody, and control of the Department, and who need Child Care Assistance as documented in a foster care case plan.

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- b. Eligibility for Child Care Assistance under this provision shall be determined by CPS and DDD on a case by case basis.
- B. Verification of Eligible Activity or Need.** The client shall verify eligible activities and needs as requested by the Department. Acceptable verification shall include:
1. Pay stubs for the most recent calendar month;
 2. Employer's statement verifying hourly rate of pay, work schedule, and frequency of pay;
 3. Quarterly or annual tax statement for the most recent calendar quarter or year to verify self-employment activities;
 4. Self-employment log to document self-employment activities and income accompanied by receipts for gross sales and business expenses for the most recent calendar month or quarter;
 5. Written verification from an educational institution to verify days and hours of attendance, start and end dates of the activity, educational level, and satisfactory progress;
 6. Written verification from a licensed physician, certified psychologist, or certified behavioral health specialist indicating the diagnosis, inability to care for the child, days and hours that child care is needed, and the anticipated recovery date;
 7. Written verification from a homeless or domestic violence shelter indicating the days, hours, and duration that child care is needed as prescribed in subsection (F).
- R6-5-4913. Applicants and Recipients as Child Care Providers**
- A. The client for Child Care Assistance may also be the child care provider for any child for whom assistance is requested when:**
1. The client works for but is not the DES contracted party for the provision of Child Care Assistance;
 2. The client receives monetary compensation for work performed as a child care provider;
 3. The client cares for other unrelated children, for whom client does not receive Child Care Assistance, as well as for the child for whom the client has applied for Child Care Assistance; and
 4. The client is unavailable to provide care to the child for whom assistance is requested. When the client is also the child care provider, this is defined as:
 - a. There is no "not for compensation" slot available for the child; and
 - b. Caring for the child as well as for the other children for whom the child care provider receives compensation, would exceed the ratio per state certification or licensing standards pursuant to A.R.S. § 36-897.01 and 6 A.A.C. 5, Article 52.
- B. If there is no "not for compensation" slot available for the child, and other eligibility criteria described in this Article are met, the client for Child Care Assistance may also be the child care provider for the child for whom assistance is requested.**
- R6-5-4914. Income Eligibility Criteria**
- A. Child Care Assistance Without Regard to Income.** The Department shall not determine income eligibility for Child Care Assistance for the following:
1. IOBS participants who need Child Care Assistance to participate in the IOBS Program, and who are referred to CCA as prescribed in R6-5-4904(B).
 2. Cash Assistance participants who need Child Care Assistance to maintain employment.
 3. CPS referred families, and CPS or DDD foster families who need Child Care Assistance as documented in a CPS or foster care case plan, and who are referred to CCA as prescribed in R6-5-4904(B).
- B. Child Care Assistance With Regard to Income.** The Department shall determine income eligibility for Child Care Assistance for the following:
1. Former Cash Assistance participants who need Child Care Assistance to maintain employment as prescribed in R6-5-4916(A).
 2. Clients who are not Cash Assistance participants but who need Child Care Assistance to maintain employment.
 3. Teen parents who need Child Care Assistance for educational activities as prescribed in R6-5-4912(D).
 4. Client who need Child Care Assistance because they are unable or unavailable to care for their own children due to physical, mental or emotional disability, participation in a drug treatment or court-ordered community service program, or residency in a homeless or domestic violence shelter as prescribed in R6-5-4912(F).
- C. Income Maximum for Child Care Assistance.** The Department shall determine income eligibility by calculating the gross monthly income of all family members included in family size unless otherwise excluded as prescribed in subsections (D), (E), (F), and (H).
1. If the gross monthly income for the family is equal to or less than 135% FPL, the family meets the income eligibility requirements for Child Care Assistance.
 2. If the gross monthly income for the family exceeds 135% FPL, the family does not meet the income eligibility requirements for Child Care Assistance.
- D. Family Size Determination.** The Department shall determine family size for the purpose of determining income eligibility as prescribed in this subsection.
1. Family size shall consist of:
 - a. The applicant for Child Care Assistance;
 - b. The applicant's natural, adoptive, and step children;
 - c. Any other parent or responsible person living in the household who is legally and financially responsible for either the applicant, or for the children needing care; and
 - d. The children of the other parent or responsible person residing in the same household.
 2. When a parent applies for Child Care Assistance for natural, adoptive, or step children:
 - a. If the applicant and other adult in the household are married, or have children in common who need child care, 1 family size determination shall be made for the family.
 - b. The income of both parents shall be counted.
 3. When a nonparent relative applies for Child Care Assistance for other related children only (children who are not the applicant's own children, but who are related, such as grandchildren, nieces, nephews, siblings, or 1st cousins):
 - a. Family size shall consist of the other related child or children only; the nonparent relative shall not be included.
 - b. The nonparent relative's and his or her spouse's income shall be excluded.
 4. When the applicant applies for Child Care Assistance for natural, adoptive, or step children, and also for other related children, 1 family size determination shall be made for the family:
 - a. Family size shall consist of the applicant, the applicant's children, the other related children who need care, and any other parent or responsible person in the household.
 - b. The applicant's and other parent's or responsible person's income shall be counted.

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- c. Any income received by or for the "other related" child shall be counted.
- 5. When an unwed minor parent applies for Child Care Assistance for his or her own child and resides with his or her parents:
 - a. One family-size determination shall be made for the family.
 - b. The following shall be included in family size:
 - i. The minor parent;
 - ii. The minor parent's child;
 - iii. The parents of the minor parent; and
 - iv. The minor parent's siblings (under age 18).
 - c. The income of the minor parent and his or her parents shall be considered in the income eligibility determination.
- 6. When a guardian applies for Child Care Assistance for a child in guardianship only:
 - a. One family-size determination shall be made for the child in guardianship.
 - b. All children in guardianship shall be included in family size (separate family size determinations shall not be made for individual children in guardianship).
 - c. The guardian and their spouse shall not be included in family size; their income shall be excluded.
 - d. Income received by or for the children in guardianship shall be counted.
- 7. When the applicant applies for Child Care Assistance for natural, step, or adoptive children in addition to the children in guardianship:
 - a. One family-size determination shall be made.
 - b. Family size shall consist of the applicant, the applicant's children, the children in guardianship and any other parent or responsible person in the household.
 - c. The applicant's and other parent's or responsible person's income shall be counted.
 - d. Income received by or for the children in guardianship shall be counted.
- E. Countable Income. The Department shall count the gross monthly income of a family as prescribed in subsection (D); countable income shall include:
 - 1. Gross earnings received for work including wages, salary, armed forces pay, commissions, tips, overtime, piece-rate payments, and cash bonuses earned, before any deductions.
 - 2. Net income from non-farm self employment which includes gross receipts minus business expenses. Gross receipts include the value of all goods sold and services rendered. Business expenses include costs of goods and services purchased or produced, rent, heat, light, power, depreciation charges, wages, and salaries paid, business taxes and other expenses incurred in operating the business. The value of salable merchandise consumed by the proprietors of retail stores is not included as part of net income. Payments on loans or mortgages obtained to increase capital investments in property or equipment are not allowed as deductible expenses.
 - 3. Net income from farm self employment which includes gross receipts minus operating expenses. Gross receipts include the value of all products sold, government crop loans, money received from the rental of farm equipment to others, and incidental receipts from the sale of wood, sand, gravel, and similar items. Operating expenses include costs of feed, fertilizer, seed, and other farming supplies, wages paid to farmhands, depreciation charges, cash rent, interest on farm mortgages, farm building repairs, farm taxes, and other expenses incurred in operation of the farm. The value of fuel, food, or other farm products used for family living is not included as part of net income. Payments on loans or mortgages obtained to increase capital investments in property or equipment are not allowed as deductible expenses.
- 4. Social Security payments prior to deductions for medical insurance including Social Security benefits and "survivors" benefits, and permanent disability insurance payments made by the Social Security Administration.
- 5. Railroad retirement insurance income.
- 6. Dividends including interest on savings, stocks and bonds, income and receipts from estates or trusts, net rental income or royalties, receipts from boarders or lodgers (net income received from furnishing room and board shall be 1/3 of the total amount charged), interest on Series H, United States Government Savings bonds.
- 7. Mortgage payments received shall be prorated on a monthly basis.
- 8. Public assistance payments including payments from the following programs: Cash Assistance, Supplemental Security Income (SSI), State Supplementary Payments (SSP), General Assistance (GA), Bureau of Indian Affairs General Assistance (BIAGA), and Tuberculosis Control (TC).
- 9. Pensions and annuities including pensions or retirement benefits paid to a retired person or their survivors by a former employer or by a union, or distributions or withdrawals from an individual retirement account.
- 10. Unemployment Insurance payments including compensation received from government unemployment insurance agencies or private companies during periods of unemployment, and any strike benefits received from union funds.
- 11. Workers' compensation payments.
- 12. Money received from the Domestic Volunteer Act when the adjusted hourly payment is equal to or greater than minimum wage; Action Volunteer Programs include VISTA, Foster Grandparent Program (FGP), Retired Senior Volunteer Program (RSVP), and Senior Companion Program (SCP).
- 13. Alimony or spousal maintenance which shall be counted the month received.
- 14. Child support which shall be counted the month received.
- 15. Veterans' pensions including benefits and disability payments paid periodically by the Veterans Administration to members of the Armed Forces or to a survivor of deceased veterans.
- 16. Cash gifts received on a monthly basis from relatives, other individuals, and private organizations, as a direct payment in the form of money.
- 17. Money received through the lottery, sweepstakes, contests, or through gambling ventures whether received on an annuity or lump sum basis.
- 18. Any other source of income not specifically excluded in subsection (F).
- E. Excluded Income. The Department shall exclude the items listed in this subsection when determining a family's gross monthly income.
 - 1. Per capita payments to or funds held in trust for any individual in satisfaction of a judgment of the Indian Claims Commission or the Court of Claims;
 - 2. Payments made pursuant to the Alaska Native Claims Settlement Act to the extent such payments are exempt from taxation under Section 21(a) of the Act;

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3. Money or capital gains received as a lump sum, from the sale of personal or real property, such as stocks, bonds, or a car (unless the person was engaged in the business of selling such property, in which case the net proceeds would be counted as income from self employment);
 4. Withdrawals of bank deposits;
 5. Loans; money borrowed;
 6. Tax refunds;
 7. Any monies received through the federal Earned Income Credit (EIC);
 8. One time lump sum awards or benefits, including:
 - a. Inherited funds;
 - b. Insurance awards;
 - c. Damages recovered in a civil suit;
 - d. Monies contributed by a client to a retirement fund that are later withdrawn prior to actual retirement; and
 - e. Retroactive public assistance payments;
 9. The value of U.S. Department of Agriculture (USDA) Food Stamps;
 10. The value of USDA-donated food;
 11. The value of any supplemental food assistance received under the Child Nutrition Act of 1966 and special food service program for children under the National School Lunch Act, the Women, Infant, and Children Program (WIC), Child and Adult Care Food Program (C.A.C.F.P.), and the School Lunch Program;
 12. Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (e.g. Navajo/Hopi Relocation Act);
 13. Earnings of a child who is under the age of 18 and attending high school or other training program, and who is not an unwed minor parent who needs Child Care Assistance for his or her own child;
 14. Home produce used for household consumption;
 15. Government-sponsored training program expenses (TRE payments) such as: training-related expenses paid to JOBS participants and Job Training Partnership Act (JTPA) training expenses paid directly to the client;
 16. The value of goods or services received in exchange for work;
 17. Interest on Series E, United States Government Savings bonds;
 18. Foster care maintenance payments received for care of foster children;
 19. Adoption subsidy payments received for the care of adopted children;
 20. Educational loans, grants, awards, and scholarships regardless of their source, including Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Bureau of Indian Affairs (BIA) Student Assistance Grants, college workstudy income, Carl D. Perkins Vocational and Applied Technology Education Act income, and any other state or local, public, or private educational loans, grants, awards, and scholarships;
 21. Money received from the Domestic Volunteer Act when the adjusted hourly payment is less than minimum wage; Action Volunteer Programs include VISTA, Foster Grandparent Program (FGP), Retired Senior Volunteer Program (RSVP), and Senior Companion Program (SCP);
 22. Housing and Urban Development (HUD) benefits, cash allowances and credits against rent;
 23. Vendor payments including payments made directly to a 3rd party by friends, relatives, charities, or agencies to pay bills for the client;
 24. Vocational Rehabilitation training-related expenses (TRE) which are reimbursements for expenses paid. Subsistence and maintenance allowances, and incentive payments not designated as wages;
 25. Disaster relief funds and emergency assistance provided under the Federal Disaster Relief Act, and comparable assistance provided by a state or local government, or disaster assistance organization;
 26. Energy assistance including all state or federal benefits designated as "energy assistance" or assistance from a municipal utility or non-profit agency;
 27. Agent Orange payments;
 28. Any other income specifically excluded by applicable state or federal law.
- G. Income Deduction. Child support that is paid for dependents who do not reside in the same household with the eligible family shall be deducted from the monthly gross countable income prior to income calculation and fee level and copayment assignment as prescribed in subsection (H) and R6-5-4915.**
- H. Income Calculation. The Department shall calculate monthly income as prescribed in this subsection.**
1. The Department shall include all income of all family members included in the family-size determination, other than income excluded as prescribed in R6-5-4914(F) in the determination of income eligibility.
 2. The Department shall calculate a monthly figure for each source of income separately with the appropriate method used for calculation.
 3. After calculating monthly income for each source of income, the Department shall add the monthly amounts from each source to obtain the total monthly income.
 4. The Department shall convert income received less often than monthly to a monthly figure as provided in this subsection.
 - a. The Department shall prorate the total income over the number of months that the income is intended to cover.
 - b. If the income is received on or after the date of application, a monthly share of income shall be considered beginning with its earliest possible effective date and for a number of months equal to the number of months which the income covers.
 - c. If the family receives the income prior to the date of application, the number of months that the income is intended to cover shall be equal to the number of months of coverage remaining.
 5. When a family receives a new income source that will be received monthly, weekly, bi-weekly, or semi-monthly, the income shall not be considered available to the family until the date that the 1st payment is received. Until the monies are available to the client, a new fee level or ineligibility shall not be assessed to the client. When a client has already received the payment which includes the new income source, and a higher fee level or ineligibility results, the Department shall send a 10-day negative action notice prior to increasing the fee level or terminating assistance.
 6. The Department shall convert income received more often than monthly, for a period covering less than a month, to a monthly amount by 1 of the methods listed below.
 - a. If the income amount does not vary and is received monthly, weekly, bi-weekly, or semi-monthly, the conversion to a monthly amount will be obtained by multiplying the pay period amount by:
 - i. 1, if monthly;

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- ii. 4.3, if weekly;
 - iii. 2.15, if bi-weekly; or
 - iv. 2, if semi-monthly.
 - b. This amount shall be applied as income on an ongoing monthly basis until there is a change in the income.
 - c. If the monthly income received varies in amount and frequency, and exact monthly figures are unavailable, the Department shall use an average monthly figure.
 - 7. When the Department calculates the gross monthly income for the family, the whole dollar amount only shall be used to determine income eligibility, and fee level and copayment assignment; any amount that is a fraction of a whole dollar shall be rounded down to the next whole dollar.
- I. Verification of Income.** The client shall verify income by providing written documentation of income as requested by the Department such as:
- 1. Pay stubs for the most recent calendar month, or for any month of potential overpayment;
 - 2. Employer's statement verifying work schedule, hourly rate of pay, and frequency of pay;
 - 3. Benefit award statements for the most recent benefit period;
 - 4. Statements of account to verify interest income;
 - 5. Quarterly or annual tax returns for the most recent quarter or year for self-employment income;
 - 6. Self-employment log accompanied by gross sales receipts and business expense receipts for the most recent calendar month or quarter; and
 - 7. Other written documentation from the source of the income indicating the amount of income received, source of income, frequency received, and naming the payee.

R6-5-4915. Fee Level and Copayment Assignment

- A.** The Department shall assign a fee level to the family based on family size and monthly gross countable income, as specified in Appendix A.
- B.** The Department shall assign individual minimum required copayment amounts for each child in the family based on the fee level assignment, and the number of children needing care, as specified in Appendix A.
- C.** The Department shall not assign a fee level or minimum required copayment to JOBS participants, Cash Assistance participants who need Child Care Assistance for employment, or families determined eligible and referred by CPS or DDD.
- D.** When a client fails to pay the DES-required copayment, or fails to make satisfactory arrangements for payment of the DES-required copayment with a child care provider, the client is ineligible for Child Care Assistance.
- E.** When the Department has determined that an client is ineligible for Child Care Assistance due to nonpayment of the copayment, the client is ineligible for any Child Care Assistance program that requires a copayment until past-due copayments have been paid, or until satisfactory arrangement have been made with the provider for payment.

R6-5-4916. Special Eligibility Criteria

- A. Transitional Child Care.**
 - 1. Former Cash Assistance participants who are attempting to achieve independence from the Cash Assistance program, who need Child Care Assistance for employment, and who are otherwise eligible shall receive up to 24 months of Transitional Child Care Assistance.
 - 2. The former Cash Assistance participant shall have received Cash Assistance in Arizona in at least 1 month

- and shall apply for Child Care Assistance within 6 months after the Cash Assistance case closure date.
 - 3. The former Cash Assistance participant and any other parent or responsible person in the household shall need Child Care Assistance to maintain employment.
 - 4. The most recent Cash Assistance case closure shall not have been due to a sanction for JOBS or Child Support noncompliance, and the Cash Assistance participant shall not have been sanctioned due to intentional program violation (IPV) at the time of the most recent Cash Assistance case closure.
- B. Cash Assistance Diversion Participants.**
- 1. Applicants for Cash Assistance who are diverted from long-term Cash Assistance through the Cash Assistance Diversion program shall be treated as Cash Assistance participants during the 3-month period that the Cash Assistance Diversion payment covers.
 - 2. Cash Assistance Diversion participants shall be eligible for Child Care Assistance for employment activities without regard to income as prescribed in R6-5-4914(A) during the 3-month Diversion period.
 - 3. Cash Assistance Diversion participants shall be eligible for Child Care Assistance for job search activities during the 3-month Diversion period.
 - 4. Cash Assistance Diversion participants shall be eligible for Transitional Child Care after the 3-month Diversion period if the income eligibility requirements in R6-5-4914(B) and the TCC requirements in subsection (A) of this provision are met.

R6-5-4917. Authorization of Child Care Assistance

- A. Authorization Based on Eligible Activity or Need.**

The Department shall authorize Child Care Assistance for a portion of each 24-hour day based on the verified eligible activity or need of the parent and responsible person for the child needing care.
- B. Authorization Based on Unavailability.**

The amount of Child Care Assistance authorized by the Department shall be based on the amount of time that the client and any other parent or responsible person in the household are unavailable or incapable to provide care to their own children due to an eligible activity or need as prescribed in R6-5-4911(F) and R6-5-4912. When there are 2 or more parents or responsible persons in the household, Child Care Assistance shall be authorized for the amount of time that neither parent or responsible person is available due to an eligible activity or need.
- C. Authorization for Self-employment Activities.**
 - 1. The Department shall authorize Child Care Assistance for self-employment activities based on monthly net income divided by the current hourly minimum wage standard.
 - 2. Authorization of Child Care Assistance for self-employment activities shall not exceed the lesser of:
 - a. The maximum number of Child Care Assistance units that can be authorized as prescribed in subsections (B) and (D), or
 - b. The number of hours calculated by dividing monthly net income from self-employment by the amount of the hourly minimum wage standard, or
 - c. The number of hours of Child Care Assistance needed by the client to perform self employment activities.
- D. Units of Child Care Assistance.**
 - 1. The Department shall authorize Child Care Assistance in full- and part-day units;
 - 2. The Department shall not authorize more than 31 units for each child, per child care provider in a calendar month;

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3. A part-day unit of Child Care Assistance is less than 6 hours;
4. A full-day unit of Child Care Assistance is 6 hours or more;
5. Each child care provider determines the upper limit of what constitutes a full day of care for that provider.

E. Date of Eligibility.

The Department shall approve eligibility for Child Care Assistance effective the application file date or referral receipt date as described in R6-5-4904 if the client satisfies all applicable conditions of eligibility as prescribed in this Article.

F. Date of Authorization.

1. The Department shall authorize Child Care Assistance to begin effective the start date of the eligible activity or need, but not earlier than application file date, request date, or referral receipt date as described in R6-5-4904.
2. The Department may authorize Child Care Assistance with an effective date that precedes the referral receipt date when the referral is received untimely due to administrative delay and the eligible start date of the activity or need precedes the referral receipt date for clients who are referred for Child Care Assistance as described in R6-5-4904 (B).

G. Exclusion from Authorization.

The Department shall not authorize Child Care for educational services for children enrolled in grades 1 through 12 when such services are provided during the regular school day.

R6-5-4918. Denial or Termination of Child Care Assistance

The Department shall deny or terminate Child Care Assistance and provide written notification as prescribed in R6-5-4919 when the client:

1. Is not an eligible applicant as prescribed in R6-5-4911(B);
2. Is not a U.S. citizen or legal resident of the U.S.;
3. Is not a resident of the state of Arizona;
4. Has no children under the age of 13;
5. Has income that exceeds the maximum allowable as prescribed in R6-5-4914(C);
6. Does not have an eligible need, and is not engaged in an eligible activity as prescribed in R6-5-4912;
7. Is available to care for the children for whom assistance is requested (or there is another parent or responsible person in the household who is not engaged in an eligible activity and is available to provide care);
8. Has not provided the information or documentation required for a determination or redetermination of eligibility;
9. Has failed to cooperate in the arrangement of child care services;
10. Has not selected a child care provider who is registered with the Department;
11. Has requested that the application be withdrawn or that assistance be terminated;
12. Is a member of a family which already has an active case or pending application on file for Child Care Assistance;
13. Cannot be located by phone or mail and mail addressed to last known address has been returned;
14. Is deceased, incarcerated, or confined to an institution; or
15. Does not satisfy 1 or more eligibility criteria listed in R6-5-4904 through R6-5-4916.

R6-5-4919. Notification Requirements

- A. The Department shall mail or deliver written notice to the client as follows:**

1. On a decision about an application, within 30 calendar days of the date that the Department receives the completed application.
2. On a positive action, the Department shall mail adequate notice on or before the date the action will become effective.
3. On a change in the amount of authorized units based on a change in need, the Department shall mail adequate notice on or before the date the action will become effective.
4. On a negative action, the Department shall mail the notice at least 10 calendar days in advance of the date the action will become effective.
5. On changes in law or policy which affect entire classes or groups and concern issues not related to individual questions of fact, the Department shall issue notice of such action at least 10 calendar days in advance of the effective date of the action.

B. The Department shall not provide notice on a negative action when:

1. Child Care Assistance authorized for a specified period of time is terminated and the individual was informed in writing of the termination date when the Child Care Assistance was initiated;
2. The applicant, client, or child is deceased; and
3. There is a loss of contact with the client and mail addressed to the last known address has been returned.

C. Written notice shall include a statement of the action to be taken, the reasons for the intended action, citation to the specific rule supporting the action, and an explanation of the client's rights regarding a request for a fair hearing.

R6-5-4920. Overpayments

A. Overpayments: Date of Discovery.

1. The Department shall pursue collection of all client- and provider-caused overpayments.
2. The Department discovers an overpayment on the date the Department determines that an overpayment exists.
3. The Department shall write an overpayment report within 90 days of the discovery date.
4. If the CCA office suspects that an overpayment was caused by fraudulent activity, it shall refer the overpayment report to the Department's Office of Special Investigations for potential prosecution.
5. The Department shall not attempt to recover an overpayment from a person who is not a current recipient when the overpayment was not the result of fraud, and the Department has exhausted reasonable efforts to collect the overpayment and has determined that it is no longer cost effective to pursue the claim.

B. Overpayments: Persons Liable.

The Department shall pursue collection of an overpayment from:

1. The client if the overpayment was caused by the client;
2. Any individual member of the family who was included in family size as prescribed in R6-5-4914 (D) during the overpayment period if the overpayment was caused by the client; or
3. The child care provider if the overpayment was caused by the provider.

R6-5-4921. Appeals

A. Entitlement to a Hearing.

1. An applicant for or recipient of Child Care Assistance is entitled to a hearing to contest the following Department actions:
 - a. Denial of the right to apply for assistance;

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- b. Complete or partial denial of an application for assistance;
 - c. Failure to make an eligibility determination on an application within 30 days of the application file date;
 - d. Suspension, termination, reduction, or withholding of assistance except as provided in subsection (B);
 - e. Increase in the fee level and DES-required copayment amount; or
 - f. The existence or amount of an overpayment attributed to the family or the terms of a plan to repay the overpayment.
 - 2. Applicants and recipients are not entitled to a hearing to challenge benefit adjustments made automatically as a result of changes in federal or state law, unless the Department has incorrectly applied such law to the individual seeking the hearing.
- B. Request for Hearing: Time Limits.**
- 1. A person who wishes to appeal a negative action shall file a written request for a fair hearing with a local CCA office, within 10 days of the negative action notice date.
 - 2. A request for a hearing is deemed filed:
 - a. On the date it is mailed, if transmitted via the United States Postal Service or its successor. The mailing date is as follows:
 - i. As shown by the postmark;
 - ii. As shown by the postage meter mark of the envelope in which it is received, if there is no postmark; or
 - iii. The date entered on the document as the date of its completion, if there is no postmark or no postage meter mark, or if the mark is illegible.
 - b. On the date actually received by the Department, if not sent through the mail as provided in subsection (B)(2)(a).
 - 3. The submission of any document is considered timely if the appellant proves that delay in submission was due to Department error or misinformation, or to delay caused by the U.S. Postal Service or its successor.
 - 4. Any document mailed by the Department is considered as having been given to the addressee on date it is mailed to the addressee's last known address. The date mailed shall be presumed to be the date shown on the document, unless otherwise indicated by the facts.
 - 5. The Office of Appeals shall deny any request that is not timely filed. A party may appeal a decision on the timeliness of an appeal.
- C. Hearing Requests: Preparation and Processing.**
- 1. Within 2 work days of receiving a request for appeal, the local CCA office shall notify the Office of Appeals of the hearing request.
 - 2. Within 10 days of receiving a request for appeal, the local CCA office shall prepare and forward to the Office of Appeals a prehearing summary which shall include:
 - a. The appellant's name (and case name, if different);
 - b. The appellant's SSN (or case number, if different);
 - c. The local office responsible for the appellant's case;
 - d. A brief summary of the facts surrounding, and the grounds supporting, the negative action;
 - e. Citations to the specific provisions of this Article or the Department's CCA manual which support the Department's action; and
 - f. The decision notice and any other documents relating to the appeal.
 - 3. The local office shall mail the appellant a copy of the summary. Upon receipt of a hearing request, the Office of Appeals shall schedule the hearings.
- D. Continuation of Assistance Pending Appeal: Exceptions.**
- 1. If an appellant files a request for appeal within 10 calendar days of the negative action notice date, the Department shall continue assistance at the current level unless:
 - a. The appellant waives continuation of current assistance.
 - b. The appeal results from a change in federal or state law which mandates an automatic adjustment for all classes of recipients and does not involve a misapplication of the law; or
 - c. The appellant is requesting continuation of TCC benefits for longer than the 24-month eligibility period.
 - 2. The negative action shall be stayed until receipt of an official written decision in favor of the Department, except in the following circumstances:
 - a. At the hearing and on the record, the hearing officer finds that the sole issue involves application of law, and the Department properly applied the law and computed the assistance due the appellant;
 - b. A change in eligibility or assistance amount occurs for reasons other than those being appealed, and the eligible family receives and fails to timely appeal a notice of negative action concerning such change;
 - c. Federal or state law mandates an automatic adjustment for classes of recipients;
 - d. The appellant withdraws the request for hearing; or
 - e. The appellant fails to appear for a scheduled hearing without prior notice to the Office of Appeals, and the hearing officer does not rule in favor of the appellant based upon the record.
 - 3. Upon receipt of a decision in favor of the Department, the Department shall write an overpayment for the amount of any assistance the family received in excess of the correct amount, while the stay was in effect.
- R6-5-4922. Termination and Phase-out of Ineligible Current Clients**
- A. The Department shall terminate Child Care Assistance and phase-out current clients who are determined ineligible under R6-5-4903(C) as prescribed in this Section.**
- 1. When the Department plans to terminate Child Care Assistance, the Department shall send the client a negative action notice at least 10 days before the effective date of termination.
 - 2. Except as otherwise prescribed in subsection (A)(3), the Department shall terminate eligibility for a client who is determined ineligible as prescribed in R6-5-4903(C) on the 11th day following the redetermination of eligibility as prescribed in R6-5-4903(B).
 - 3. The Department shall provide Child Care Assistance beyond the 10th day following redetermination, but no later than June 30, 1998, in the following circumstances.
 - a. Current clients who were receiving Child Care Assistance before August 1, 1997, for independent job search activities shall remain authorized for assistance through the duration of their current 30-day job search authorization period only.
 - b. Current clients who were receiving Child Care Assistance before August 1, 1997, for unemployment insurance (UI) job search activities shall remain authorized for assistance through the duration of the UI claim.

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- c. Current clients who were receiving Child Care Assistance before August 1, 1997, for public job search activities shall remain authorized for assistance through their current work readiness activity.
- d. Current clients who were clients receiving Child Care Assistance before August 1, 1997, for education and training shall remain authorized for Child Care Assistance through their current semester or school term only.
- e. Current clients who were receiving TCC before August 1, 1997, pursuant to R6-12-612, R6-12-613, and R6-12-614 shall remain authorized for Child Care Assistance until the earlier of:
 - i. The end of the 24-month TCC eligibility period.
 - ii. They apply for and receive Cash Assistance, or
 - iii. 6/30/98.
- B. Current clients who have received Child Care Assistance since July 31, 1997, or earlier, and whose cases are closed effective August 1, 1997, or later for any reason (other than administrative error) shall be treated as "new" applicants if they reapply for Child Care Assistance; the Department shall determine eligibility pursuant to A.R.S. §§ 46-801 through 46-810 and the provisions of this Article.

Appendix A. Child Care Assistance Income Eligibility Chart and Fee Schedule

**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
DIVISION OF EMPLOYMENT AND REHABILITATION SERVICES
CHILD CARE ADMINISTRATION**

**CHILD CARE ASSISTANCE
INCOME ELIGIBILITY CHART & FEE SCHEDULE**

Family Size ↓	FEE LEVEL 1 - (L1) INCOME MAXIMUM EQUAL TO OR LESS THAN 85% FPL*	FEE LEVEL 2 - (L2) INCOME MAXIMUM EQUAL TO OR LESS THAN 100% FPL*	FEE LEVEL 3 - (L3) INCOME MAXIMUM EQUAL TO OR LESS THAN 135% FPL*
1	0 - 560	561 - 658	659 - 889
2	0 - 753	754 - 885	886 - 1,195
3	0 - 945	946 - 1,111	1,112 - 1,500
4	0 - 1,138	1,139 - 1,338	1,339 - 1,807
5	0 - 1,331	1,332 - 1,565	1,566 - 2,113
6	0 - 1,523	1,524 - 1,791	1,792 - 2,418
7	0 - 1,716	1,717 - 2,018	2,019 - 2,725
8	0 - 1,909	1,910 - 2,245	2,246 - 3,031
9	0 - 2,102	2,103 - 2,472	2,473 - 3,338
10	0 - 2,295	2,296 - 2,699	2,700 - 3,644
11	0 - 2,488	2,489 - 2,926	2,927 - 3,951
12	0 - 2,680	2,681 - 3,153	3,154 - 4,257
for ↓	Minimum Required Co-Payments**		
1st child in care	full day = \$1.00 part day = \$.50	full day = \$2.00 part day = \$1.00	full day = \$3.00 part day = \$1.50
2nd child in care	full day = \$.50 part day = \$.25	full day = \$1.00 part day = \$.50	full day = \$1.50 part day = \$.75
3rd child in care	full day = \$.50 part day = \$.25	full day = \$1.00 part day = \$.50	full day = \$1.50 part day = \$.75

Full day = 6 or more hours; part day = less than 6 hours.

* FPL = US DHHS 1997 poverty guidelines

** Families receiving child care assistance based upon involvement with Child Protective Services/Foster Care, the JOBS Program or those who are receiving cash assistance (formerly AFDC) and who are employed, will not have an assigned fee level and will not have a minimum required co-payment. However, all families may be responsible for charges above the Minimum Required Co-Payments if a provider's rates exceed allowable state reimbursement maximums and/or the provider has other additional charges.

NOTICE OF EXEMPT RULEMAKING

TITLE 6. ECONOMIC SECURITY

**CHAPTER 10. DEPARTMENT OF ECONOMIC SECURITY
THE JOBS PROGRAM**

PREAMBLE

<u>1. Sections Affected</u>	<u>Rulemaking Action</u>
R6-10-101.	Repeal
R6-10-101.	New Section
R6-10-102.	Repeal
R6-10-102.	New Section
R6-10-103.	Repeal
R6-10-103.	New Section
R6-10-104.	Repeal
R6-10-104.	New Section
R6-10-105.	Repeal
R6-10-105.	New Section
R6-10-106.	Repeal
R6-10-106.	New Section
R6-10-107.	Repeal
R6-10-107.	New Section
R6-10-108.	Repeal
R6-10-108.	New Section
R6-10-109.	Repeal
R6-10-109.	New Section
R6-10-110.	Repeal
R6-10-110.	New Section
R6-10-111.	Repeal
R6-10-111.	New Section
R6-10-112.	Repeal
R6-10-112.	New Section
R6-10-113.	Repeal
R6-10-113.	New Section
R6-10-114.	Repeal
R6-10-114.	New Section
R6-10-115.	Repeal
R6-10-115.	New Section
R6-10-116.	Repeal
R6-10-116.	New Section
R6-10-117.	Repeal
R6-10-117.	New Section
R6-10-118.	Repeal
R6-10-118.	New Section
R6-10-119.	Repeal
R6-10-119.	New Section
R6-10-120.	Repeal
R6-10-120.	New Section
R6-10-121.	Repeal
R6-10-121.	New Section
R6-10-122.	New Section
R6-10-123.	New Section
R6-10-124.	New Section
R6-10-125.	New Section
Article 2.	Repeal
R6-10-201.	Repeal
R6-10-202.	Repeal
R6-10-203.	Repeal
R6-10-204.	Repeal
R6-10-205.	Repeal
R6-10-206.	Repeal
R6-10-207.	Repeal
R6-10-208.	Repeal

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R6-10-209.	Repeal
R6-10-210.	Repeal
R6-10-211.	Repeal
R6-10-212.	Repeal
R6-10-213.	Repeal
R6-10-214.	Repeal
R6-10-215.	Repeal
R6-10-216.	Repeal
R6-10-217.	Repeal
R6-10-218.	Repeal
R6-10-219.	Repeal
R6-10-220.	Repeal
R6-10-301.	Amend
R6-10-303.	Amend
R6-10-304.	Amend

2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statutes: A.R.S. §§ 41-1954(A)(3) and 46-134(12).

Implementing statutes: Law 1997, Chapter 300, § 57 (A.R.S. § 46-299).

Statute authorizing the exemption: Laws 1997, Chapter 300, § 4(A).

3. The effective date of the rules:

July 31, 1997

4. A list of all previous notices appearing in the Register addressing the exempt rules:

None.

5. The name and address of agency personnel with whom persons may communicate regarding the rules:

Name: Vista Thompson Brown, Legal Analyst

Address: P.O. Box 6123, Site Code 837A
Phoenix, Arizona 85005

Telephone: (602) 542-6555

Fax Number: (602) 542-6000

6. An explanation of the rule, including the agency's reason for initiating the rule:

These rules will implement the work participation requirements of SB 1357 (the 1997 state welfare reform law). These rules describe activities that satisfy federal work participation requirements associated with Temporary Assistance for Needy Families (TANF), Title I of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, and the circumstances under which an individual may be temporarily deferred from participating in work activities. In addition, these rules explain the penalties for not meeting the work requirements, and circumstances which constitute good cause for such failure. These rules also provide a description of the JOBS-subsidized employment activity, its operation, eligibility requirements for participants and employers, and grievance procedures for displaced employees. Laws 1997, Chapter 300, § 74(A) gives the Department an exemption from the Administrative Procedure Act for developing or revising rules to implement the requirements of the welfare reform bill (Laws 1997, Chapter 300).

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable.

8. The summary of the economic, small business, and consumer impact:

Because these rules are exempt from the requirements of the Administrative Procedures Act, according to Laws 1997, Chapter 300, § 74(A), the Department did not prepare an economic, small business, and consumer impact statement.

9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

Not applicable.

10. A summary of the principal comments and the agency response to them:

Not applicable.

11. Any other matters prescribed by statute that are applicable to the specific rule or class of rules:

Not applicable.

12. Incorporations by reference and their location in the rules:

R6-10-101(46)

13. Was the rule previously adopted as an emergency rule?

This rule was not previously adopted as an emergency rule.

14. The full text of the rules follows:

TITLE 6. ECONOMIC SECURITY

CHAPTER 10. DEPARTMENT OF ECONOMIC SECURITY

THE JOBS PROGRAM

THE JOB OPPORTUNITIES AND BASIC SKILLS (JOBS) PROGRAM.

ARTICLE 1. JOBS: GENERAL PROVISIONS

Section

- R6-10-101. ~~Definitions~~ **Definitions**
R6-10-102. ~~Reevaluation of mandatory status~~ **Work Requirement**
R6-10-103. ~~JOBS volunteers~~ **Tribal JOBS**
R6-10-104. ~~Tribal JOBS Selection for Participation; Notification~~
R6-10-105. ~~Initial JOBS registration; notice~~ **Orientation and Initial Appointment**
R6-10-106. ~~Initial JOBS assessment; employability plan~~ **Temporarily Deferred Determinations**
R6-10-107. ~~Case management services~~ **Self-assessment**
R6-10-108. ~~The JOBS Model Employment Plan~~
R6-10-109. ~~The Basic Education Model Participation in Primary Activities~~
R6-10-110. ~~The self-initiated program (SIPS) model Participation Deemed to Be Meeting the Work Requirement~~
R6-10-111. ~~The teen parent model Participation in Secondary Activities~~
R6-10-112. ~~The direct employment JOBS model Job Search and Job Readiness Activities~~
R6-10-113. ~~Training-related expenses~~ **OJT**
R6-10-114. ~~Supportive Services~~ **Work Experience**
R6-10-115. ~~Community work experience program (CWEP)~~ **Community Service Programs**
R6-10-116. ~~On-the-job training (OJT)~~ **Vocational Educational Training**
R6-10-117. ~~Post-secondary education High School, GED Preparation, and Education Directly Related to Employment~~
R6-10-118. ~~Conciliation procedures; disputes involving participants~~ **Transportation-related Expenses**
R6-10-119. ~~Non-participation; sanctions; good cause exception~~ **Support Services**
R6-10-120. ~~Non-participation; withholding; TPEP good cause exception~~ **Issue Resolution Procedures: Issues Involving Participants**
R6-10-121. ~~Applicability; conflicts with Chapter 3 All Families Except TPEP: Failure to Participate; Sanctions~~
R6-10-122. ~~Good Cause Exceptions~~
R6-10-123. ~~TPEP: Failure to Participate; Withholding~~
R6-10-124. ~~Subsidized Employment - JOBSTART~~
R6-10-125. ~~Employer Participation - JOBSTART~~

ARTICLE 2. JOBSTART REPEALED

Section

- R6-10-201. ~~Definitions~~ **Repealed**
R6-10-202. ~~Project Applicability~~ **Repealed**
R6-10-203. ~~Selection Criteria for Participation~~ **Repealed**
R6-10-204. ~~Classification as an Experimental or Control~~ **Repealed**
R6-10-205. ~~Project Orientation for Experimentals~~ **Repealed**
R6-10-206. ~~Assessment for Project Employment Referrals and Employer Interviewers~~ **Repealed**
R6-10-207. ~~Project Participation Requirements~~ **Repealed**
R6-10-208. ~~Monitoring~~ **Repealed**
R6-10-209. ~~Duration of Participation; Extension~~ **Repealed**

- R6-10-209. ~~Failure of Experimentals to Comply, Good Cause, and Verification~~ **Repealed**
R6-10-211. ~~Supplemental Payments and Good Cause~~ **Repealed**
R6-10-212. ~~Fair Hearings; Grievances~~ **Repealed**
R6-10-213. ~~Support Services~~ **Repealed**
R6-10-214. ~~Employer Participation~~ **Repealed**
R6-10-215. ~~Employer Agreement; Reports~~ **Repealed**
R6-10-216. ~~Employer Certification~~ **Repealed**
R6-10-217. ~~Limits on Employer Participation; Workforce Waiver~~ **Repealed**
R6-10-218. ~~Employer Reimbursement~~ **Repealed**
R6-10-219. ~~Termination of Employer Participation~~ **Repealed**
R6-10-220. ~~Employer Sanctions and Grievances~~ **Repealed**

ARTICLE 3. GRIEVANCE PROCEDURES

Section

- R6-10-301. **Definitions**
R6-10-303. **Grievance Process**
R6-10-304. **Further Appeal**

ARTICLE 1. JOBS: GENERAL PROVISIONS

R6-10-101. Definitions

The following definitions apply to this Chapter:

1. "AFDC" means the Aid to Families with Dependent Children program authorized by Title IV-A of the Social Security Act, and designed to provide financial assistance and social services to needy families with dependent children.
2. "AHCCCS" means the Arizona Health Care Cost Containment System.
3. "Basic literacy level" means a literacy level that allows a person to function at a level equivalent to at least grade 8.9.
4. "Component" means a structured, regularly scheduled, JOBS activity for participants.
5. "CWEP" or "Community Work Experience Program" means an unpaid work assignment to a project which serves a useful public purpose.
6. "DES" or "Department" means the Arizona Department of Economic Security.
7. "Exempt recipient" means an AFDC recipient who is not required to participate in the Program as a condition of AFDC eligibility.
8. "FAA" or "Family Assistance Administration" means the administration within the Department's Division of Benefits and Medical Eligibility, with responsibility for providing financial and food stamp assistance to eligible persons.
9. "Fails to participate" or "failure to participate" means that a participant has not met JOBS' requirements for orientation, assessment, employability development planning, case management, or compliance with the terms of the participant's employability plan.
10. "Fixed sequence JOBS model" means a prescribed course of job search, work experience, and education or training activities offered through the Program.

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11. "Gross income" means all accessions to wealth including earnings, unearned income, and cash assistance.
 12. "JOBS" means the administration within the DES Division of Employment and Rehabilitation Services which is responsible for administration of the Program.
 13. "Job search" means a supervised, structured activity in which a participant learns job-seeking skills, job readiness activities and also seeks employment.
 14. "Limited English proficiency" means limited ability in speaking, reading, writing, or understanding the English language by a person whose native language is a language other than English, or who lives in a family or a community environment where a language other than English is the dominant language.
 15. "Making satisfactory progress" means that the participant is meeting, on a periodically measured basis of less than 1 year, (e.g. a semester or quarter,) a consistent standard of progress based upon a written policy that was developed by the educational institution or program in which the participant is enrolled and approved by JOBS. When applied to an educational component, such standard includes both a qualitative measure of a participant's progress, such as a grade point average, and a quantitative measure, such as a reasonable time limit by which a student is expected to complete the studies, and may take into account any mitigating circumstances. When applied to a training component, such standard includes both a qualitative measure of a participant's progress, such as competency gains, or proficiency level, and a qualitative measure, such as a reasonable time limit for completion of the training program.
 16. "Mandatory participant" means an AFDC recipient who is required to participate in the Program as a condition of AFDC eligibility.
 17. "Net loss of cash income" means the result when a family's gross income, less necessary work related expenses, is less than the cash assistance a participant was receiving at the time of receiving an offer of employment.
 18. "OJT" means on-the-job training, a component of the Program.
 19. "Participant" means any AFDC or TPEP recipient who is registered with JOBS to participate in the Program.
 20. "Pass-through" means a portion of a child support payment which is collected by a state child support enforcement agency, and then paid to the parent entitled to the support.
 21. "Program" means the Job Opportunities and Basic Skills Training Program as authorized by 42 U.S.C. 681-687.
 22. "Proprietary school" means a privately owned business providing an educational service for a fee which may include operational cost and profit.
 23. "Sanction" means a penalty imposed against a mandatory recipient who fails to participate in or comply with the requirements of the Program and generally means withholding of benefits.
 24. "TPEP" means the AFDC 2 Parent Employment program for families eligible for AFDC because the parent who is the primary wage earner is unemployed. (TPEP is referred to in federal law as "AFDC-UP".)
 25. "Target population" means that group composed of each individual who:
 - a. Is receiving AFDC and who has received such aid for any 36 of the preceding 60 months;
 - b. Makes an application for AFDC and has received such aid for any 36 of the 60 months immediately preceding the most recent month for which application has been made;
 - c. Is a custodial parent under the age of 24 who:
 - i. Has not completed a high school education and at the time of application for AFDC, is not enrolled in high school (or a high school equivalency course of instruction); or
 - ii. Had little or no work experience in the preceding year; or
 - d. Is a member of a family in which the youngest child is within 2 years of being ineligible for AFDC because of age.
26. "Training related expenses" means expenses incurred by a participant as a result of participation in the Program, which are potentially reimbursable by JOBS.
27. "Tribal JOBS" means a Job Opportunities and Basic Skills (JOBS) program operated by an Arizona Indian Tribe, serving AFDC recipients who are enrolled members of the Tribe residing within a designated geographic area.
28. "Volunteer participant" means an exempt recipient who elects to participate in the Program.
29. "Withhold benefits" means a penalty imposed against a TPEP family when a parent refuses or fails to participate or comply with the requirements of the Program.
30. "Work cycle" is a semi-monthly period in which a TPEP client must participate in the Program and for which the family is subsequently paid AFDC.

R6-10-101. Definitions

The definitions in A.R.S. § 46-101 and the following definitions apply to this Chapter:

1. "AHCCCS" means the Arizona Health Care Cost Containment System.
2. "All families" means all families, except TPEP receiving cash assistance payments.
3. "Calendar week" means 7 consecutive days beginning on Saturday.
4. "Calendar year" means a 12-month period beginning January 1 and ending December 31.
5. "Cash assistance program" means the Temporary Assistance for Needy Families program established by Public Law 104-193, Section 407 (1996).
6. "Community service programs" means unpaid work activities which provide a service to the community or an organization.
7. "DES" means the Arizona Department of Economic Security, which is sometimes referred to as "the Department."
8. "Education directly related to employment" means remedial education and English for Speakers of Other Languages (ESOL) for individuals who have not attained a high school diploma or GED.
9. "Employment plan" means the agreement described in R6-10-107, between the participant and the Program, describing the steps and services needed to transition a client to economic independence.
10. "FAA" means the Family Assistance Administration which is the administrative unit within the DES Division of Benefits and Medical Eligibility responsible for providing cash assistance to eligible persons.
11. "Fails to participate" or "failure to participate" means that a participant has not met JOBS requirements for orientation, assessment, employment plan development, compliance with the terms of the participant's employment plan, or participation in work activities.

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12. "Full-time employment" means employment that is 40 hours per week or, if less, is regarded as full-time for a specific industry.
13. "GED" means general equivalency degree which is a certificate awarded upon completion of a series of 5 tests that demonstrate high school skills equivalency.
14. "Job readiness" means a structured employment preparation program which includes life skills, employment, and job retention skills.
15. "JOBS" means the administrative unit within the DES Division of Employment and Rehabilitation Services which is responsible for administration of the JOBS Program.
16. "Job search" means a structured activity in which participants are required to actively seek employment by identifying employment opportunities, applying for employment, and participating in employment interviews.
17. "Job skills training" means training opportunities which enable a participant to become proficient in an occupation or skill necessary to meet the participant's employment goal.
18. "JOBSTART" means the state's subsidized work activity in the public and private sectors.
19. "JOBSTART employment" means the subsidized employment for which participants are hired.
20. "Licensed physician" means:
 - a. Medical doctors,
 - b. Doctors of osteopathy,
 - c. Doctors of naturopathic medicine
 - d. Chiropractors,
 - e. Psychiatrists, or
 - f. Board-certified psychologists.
21. "Making satisfactory progress" means that a participant is meeting, on a periodic basis, a consistent standard of progress based upon standards established by the institution or program, and approved by JOBS, in which the participant is enrolled for educational or training activities.
22. "OIT" means on-the-job training which is a paid training opportunity generally provided at a worksite for a specified period.
23. "Participant" means a cash assistance recipient who is registered with JOBS to participate in the Program.
24. "Primary activities" means work activities which count toward the work requirement.
25. "Program" means the JOBS Program, as authorized by A.R.S. § 46-299.
26. "Recipient" means an individual receiving cash assistance payments through the cash assistance program administered by the FAA.
27. "Regular employee" means an unsubsidized individual currently employed by an employer.
28. "Sanction" means a reduction or termination of cash assistance, for all families, except TPEP who fail to participate or comply with Program requirements without good cause.
29. "Satisfactory attendance in high school or GED activities" means that a participant who has not completed high school or received a GED is attending high school or GED activities and meeting attendance requirements established by the school or GED program.
30. "Satisfactorily participates in education directly related to employment" means that a participant is meeting, on a periodic basis, a consistent standard of progress based upon standards established by the educational institution or program.
31. "Secondary activities" means work activities that count toward the work requirement only after meeting the required hours in primary activities.
32. "Subsidized employment" means employment in a public or private sector organization which receives a JOBSTART subsidy to offset the cost of wages (and possibly other employer-paid benefits) of an employee.
33. "Support services" means services provided to JOBS participants which enable them to participate in work activities, to accept and maintain employment, and to successfully make the transition to employment.
34. "Teen custodial parent" means a parent age 13 through 19 who is caring for the parent's child.
35. "TPEP" means the Two-Parent Employment Program for cash assistance for 2-parent families in which both parents are able to work and the primary wage earning parent is unemployed.
36. "Transportation-related expenses" means an allowance for transportation expenses that may be incurred by a participant as a result of participating in JOBS.
37. "Unaffordable" child care means that child care is not affordable to a family because the cost of care is more than what DES will pay.
38. "Unavailable" child care means that:
 - a. Child care providers are located more than 1 1/2 hours 1 way in total travel time from the recipient's home to the child care provider, and to work, after exploring all modes of transportation, including walking;
 - b. Child care providers do not have available slots or vacancies;
 - c. Child care providers cannot provide services to a disabled or handicapped child with special needs;
 - d. Child care providers related to the child are unavailable or unwilling to provide care;
 - e. Child care is available through a non-relative provider, as defined in A.R.S. § 46-801(11) but the provider is unwilling to apply for DES certification.
39. "Unsubsidized employment" means all paid employment in the public or private sector except JOBSTART or OIT.
40. "Unsuitable" child care means that child care is available through a relative provider, but the recipient declares in writing that the provider is inappropriate based on factors, such as, that the relative provider:
 - a. Has a history of child neglect or abuse;
 - b. Is experiencing domestic violence;
 - c. Has a history of serious crime;
 - d. Is a drug abuser;
 - e. Has an emotional, mental, or physical condition which prevents the relative from providing safe care; or
 - f. Resides in a home which is unsafe for children.
41. "Vocational educational training" means training directly related to a career or occupation and which results in a degree or certificate.
42. "Withholding" means withholding of semi-monthly TPEP cash assistance checks, for TPEP parents who fail to participate or comply with Program requirements without good cause.
43. "Work activities" means activities that are countable toward the federal work participation rate as prescribed in P.L. 104-193, Section 407 (1996):
 - (a) Unsubsidized employment;
 - (b) Subsidized private or public employment;

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- (c) Work experience:
- (d) On-the-job training:
- (e) Job search and job readiness assistance:
- (f) Community service programs:
- (g) Vocational educational training:
- (h) Job skills training directly related to employment:
- (i) Education directly related to employment in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency:
- (j) Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate. A.R.S. § 46-101(23).

- 44. "Workday" means Monday through Friday, excluding Arizona state holidays.
- 45. "Work experience" means unpaid work in the public or private sector that helps a participant establish a good work record and develop good work habits and skills, and provides opportunities for the participant to transition into paid employment.
- 46. "Work requirement" means the minimum number of hours required for all families and 2-parent families to participate in work activities as a condition of eligibility for cash assistance, as prescribed in Public Law 104-193, Section 407 (1996), not including any later amendments or editions, which is incorporated by reference in this rule. Copies of the incorporated material are available for inspection at the Department's Authority Library, 1789 W. Jefferson, Phoenix, Arizona and in the office of the Secretary of State, Public Service Department, 1700 W. Washington, Phoenix, Arizona.

R6-10-102. Reevaluation of mandatory status

- A. If JOBS disagrees with FAA's determination that an AFDC or TPEP recipient is a mandatory participant, JOBS shall:
 - 1. Send FAA a written request to reevaluate the determination of mandatory status;
 - 2. Register the recipient for the Program, pending FAA's decision on the request for reevaluation; and
 - 3. Commence regular Program services.
- B. If FAA then determines that the recipient should be classified as exempt, JOBS shall close the case and send the participant written notice advising of exempt status.
- C. If FAA reaffirms the participant's mandatory status, JOBS shall continue Program services.

R6-10-102. Work Requirement

- A. As a condition of eligibility for cash assistance, a recipient shall participate in work activities unless the recipient satisfies subsection (B) below.
- B. JOBS shall not require the following recipients to participate in work activities:
 - 1. The recipient is already meeting the work requirement.
 - 2. The recipient is a dependent child under age 16 or is age 16 through 18 and attending school.
 - 3. The recipient is temporarily deferred from the work requirement, as prescribed in R6-10-106.
- C. JOBS shall assign all recipients, other than those listed in subsection (B), to work activities for at least the minimum number of hours per week required to meet the work requirement.
- D. JOBS may require recipients, who are required to participate and have not been temporarily deferred, to participate for at least 5 hours more per week in work activities than the minimum number of hours required to meet the work requirement.
- E. The Department shall impose a sanction, as provided at R6-10-121, or a withholding, as provided at R6-10-123, if a recipient

who is required to participate fails to participate in work activities without good cause, as defined in R6-10-122.

- E. JOBS may permit a recipient who is already meeting the work requirement to volunteer to participate in JOBS.

- 1. A volunteer shall receive JOBS services on a 1st-come, 1st-served basis, to the extent that resources permit, except that volunteers nearest to reaching the 24-month time limit for cash assistance shall receive priority.
- 2. JOBS shall not sanction a volunteer who fails to participate without good cause. However, a volunteer who fails to participate without good cause shall lose priority status for participation in the Program. Good cause, for the purpose of this subsection, means 1 of the circumstances described in R6-10-122.

R6-10-103. JOBS volunteers

- A. An exempt recipient may volunteer to participate in the Program.
- B. JOBS shall provide Program services to volunteer participants on a 1st-come, 1st-serve basis, to the extent that resources remain available to do so after providing services to mandatory participants.
- C. A volunteer participant who remains exempt may terminate voluntary participation at any time, without sanction.
- D. JOBS shall not permit a volunteer participant who terminates voluntary participation, without good cause, to re-register as a Program volunteer. As used in this subsection, the term "good cause" shall mean 1 of the circumstances described in R6-10-119(B).

R6-10-103. Tribal JOBS

JOBS shall not serve a person who is eligible to receive assistance through a tribal cash assistance program or services through a Tribal JOBS program.

R6-10-104. Tribal JOBS

JOBS shall not serve persons who are eligible to receive services through a Tribal JOBS program.

R6-10-104. Selection for Participation; Notification

- A. JOBS may select a recipient, other than a TPEP parent, for services according to program priorities which are based on serving those at-risk of losing cash assistance due to time limits or becoming long-term welfare dependents.
- B. JOBS shall consider the following factors when determining selection priorities:
 - 1. The number of months a recipient has received cash assistance.
 - 2. Whether the recipient is a teen-custodial parent, and
 - 3. Sanction status.
- C. JOBS shall notify a recipient, in writing or in person, who has been selected to participate in the Program of the requirement to attend an initial interview appointment. The notice shall include:
 - 1. The date and time of the appointment, and the address of the JOBS office where the interview will be held;
 - 2. The procedure for rescheduling the initial interview appointment; and
 - 3. The penalty for failing to comply with the initial interview appointment requirements as prescribed in R6-10-121.
- D. JOBS shall begin services to a sanctioned parent or a TPEP parent at the time the parent reports to the JOBS office.

R6-10-105. Initial JOBS registration; notice

After FAA refers a recipient to JOBS, JOBS shall select the recipient for services according to JOBS criteria such as mandatory status

and target population, and shall send the recipient a written notice explaining the following:

1. The date, time, and place where the recipient shall appear to register for the Program;
2. The procedures for rescheduling the initial registration appointment; and
3. The consequences for failing to keep the registration appointment or to participate in the Program. The sanctions of which JOBS shall advise the recipients are:
 - a. Withholding of TPEP benefits; or
 - b. Exclusion of the recipient's needs from the computation of the AEDC grant; or
 - c. For exempt volunteer participants, loss of priority for Program services.

R6-10-105. Orientation and Initial Appointment

- A. The Department shall provide a program orientation to applicants prior to a cash assistance determination.
- B. At the initial appointment, JOBS shall:
 1. Register the recipient in the Program;
 2. Ensure the recipient has completed a self-assessment as prescribed by the Program;
 3. Explain to the recipient the rights and responsibilities of the recipient, the Program, and the child care program;
 4. Complete an employment plan with the recipient that considers the recipient's background and skills.
- C. JOBS shall permit a recipient to reschedule an initial interview appointment only if the interview process can be completed no later than 10 days from the date of the original interview appointment date.
- D. If a recipient does not complete the initial interview process within the timeframe prescribed in subsection (C), the Department shall sanction the recipient as prescribed in R6-10-121.

R6-10-106. Initial JOBS assessment; employability plan.

- A. At the 1st appointment, JOBS shall register the recipient for participation in the Program.
- B. JOBS shall then assess the participant's employability, based on the following circumstances:
 1. The participant's educational background and deficiencies;
 2. The participant's need for child care or other support services;
 3. The participant's occupational proficiencies, skills deficiencies, and prior work experience; and
 4. Any other factor relevant to the issue of the participant's employability, which may include the following:
 - a. A past criminal record;
 - b. Terms of probation;
 - c. Physical or mental limitations;
 - d. Degree of literacy;
 - e. Substance abuse problems;
 - f. Availability of public and private transportation;
 - g. Limitations resulting from an obligation to supervise or care for a dependent child or relative;
 - h. Labor market information and occupational forecasts; and
 - i. Other similar or comparable factors.
- C. After conducting the assessment described in subsection (B), JOBS, in consultation with the participant, shall develop an employability plan for the participant.
- D. The employability plan shall include the following:
 1. The participant's employment goals;
 2. The services JOBS will provide to the participant;
 3. The Program activities the participant will engage in to fulfill the employment goals, including:
 - a. Dates of start of activity and termination of activity; and
 - b. Name and address of any individual who or organization which will provide services to the participant;
 4. The participant's responsibilities;
 5. A statement that the participant agrees to the planned activities and support services; and
 6. The date and signature of the participant and the JOBS worker assigned to oversee provision of Program services.
- E. After the participant and the JOBS worker have signed the employability plan, as provided in subsection (D), the plan shall serve as an Agency participant agreement, as described in 45 CFR 250.42 (October 1, 1993), which is incorporated herein by reference and on file with the Secretary of State's office.

R6-10-106. Temporarily Deferred Determinations

- A. JOBS shall determine whether to temporarily defer a participant from participation in work activities.
- B. JOBS shall defer a recipient, except a TPEP parent, if the recipient falls into 1 of the categories listed in this subsection:
 1. A licensed physician determines that the participant is mentally or physically incapable of engaging in work activities.
 2. The recipient is a victim of domestic violence whose participation in JOBS may cause an immediate threat to the safety of the victim or the victim's child.
 - a. JOBS shall defer a victim of domestic violence for the period of time the recipient needs to make changes in circumstances that will enable the recipient to safely participate in work activities.
 - b. The deferral shall not exceed 6 months.
 3. The recipient needs to be present in the home on a continuous basis to care for a member of the family who has a physical or mental disability, as verified by a licensed physician, and no other member of the household is available or suitable to provide the care.
 4. The recipient is a teen custodial parent with a child under 12 weeks of age.
 5. The recipient is a parent, relative, or caretaker who is personally caring for a child under the age of 1 year, unless the recipient is a teen parent who does not have a high school diploma or GED.
- C. JOBS shall temporarily defer only 1 parent in a TPEP family. JOBS shall temporarily defer a TPEP parent, if the TPEP parent:
 1. Is personally caring for the TPEP parent's child who is under the age of 1 year, unless the TPEP parent is a teen custodial parent who does not have a high school diploma or GED.
 2. Is a teen custodial parent with a child under 12 weeks of age.
 3. Is personally caring for a member of the family, who is not the other TPEP parent, who has a physical or mental disability as verified by a licensed physician, and no other member of the household is available or suitable to provide the care.
 4. Has an illness of a temporary nature, as verified by a licensed physician.
- D. JOBS shall request verification from the recipient to substantiate the recipient's claim of inability to participate in work activities due to a circumstance established in this Section.
- E. JOBS shall determine the length of time a recipient is temporarily deferred based on verification provided by the recipient.

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R6-10-107. Case management services

- A. JOBS shall provide case management services to participants in the following circumstances:
1. When the participant lacks a high school diploma or General Equivalency Degree ("GED");
 2. When the participant has limited English proficiency and does not elect to be assigned to the direct employment model;
 3. When a participant assigned to the direct employment model completes job search and CWEP or other unpaid work experience activities without obtaining employment; or
 4. When JOBS reasonably determines that such services will substantially improve a participant's employability.
- B. Case management services may include:
1. Completing an in-depth assessment of a participant's vocational skills and interests;
 2. Developing or modifying an employability plan;
 3. Arranging and coordinating services or resources necessary to carry out the employability plan;
 4. Supervising implementation of the employability plan.
- C. The Program may also provide case management services to participants who lose AFDC eligibility for up to 90 days following loss of eligibility.

R6-10-107. Self-assessment

- A. A participant shall have a self-assessment of employability.
- B. A participant shall complete, or assist in completing, a self-assessment as prescribed by the Program.
- C. The self-assessment shall include the participant's:
1. Education and employment history;
 2. Skills, talents, and interests; and
 3. Family and other circumstances which may impact the participant's employability.
- D. JOBS shall consider the self-assessment factors in the employment planning process.

R6-10-108. The JOBS models

- A. JOBS shall provide services to participants through 1 of the following JOBS models:
1. Basic education;
 2. Self-initiated program (SIPS);
 3. Teen parent; or
 4. Direct employment.
- B. JOBS shall assign each participant to the model most appropriate to the participant as provided in R6-10-109 through R6-10-112.

R6-10-108. Employment Plan

- A. JOBS and the recipient shall complete an employment plan for the recipient that incorporates work activities to ensure that work requirements are met and to ensure that the recipient transitions to employment at the earliest opportunity. JOBS shall include the following factors on the employment plan:
1. Employment goals;
 2. Work activities;
 3. Activity begin and end dates;
 4. Support services;
 5. Signatures of the recipient and the JOBS Program Specialist assigned to oversee provision of services to the recipient.
- B. The JOBS Program specialist, in consultation with the recipient, may revise the employment plan as needed to ensure the participant continues to advance toward the employment goal.

R6-10-109. The basic education model

- A. The following participants qualify for the basic education model:

1. A participant who lacks a high school diploma or GED;
 2. A participant who functions below a basic literacy level; or
 3. A participant with limited English proficiency.
- B. ~~The basic education model shall include the following sequence of activities:~~
1. ~~Case management services;~~
 2. ~~English language instruction, if needed;~~
 3. ~~GED instruction and testing, or secondary school or secondary school alternatives;~~
 4. ~~Provision of or referral for supportive services while the participant is engaged in Program activities;~~
 5. ~~Post-secondary education or training activities, when such activities or training are in the best interest of the participant; and~~
 6. ~~Job search or work experience activities.~~
- C. ~~After a participant becomes reasonably proficient in the spoken English language or obtains a GED, whichever 1st occurs, JOBS shall reevaluate the participant for placement in other program activities. For purposes of this section, "reasonably proficient" shall mean when the participant has achieved skill in the spoken English language sufficient to allow participation in other JOBS activities related to the implementation of the participant's employability plan, including job search and CWEP.~~

R6-10-109. Participation in Primary Activities

- A. JOBS shall assign a participant, unless temporarily deferred as provided in R6-10-106, to primary activities that are most appropriate to the participant's employment plan as described in R6-10-108.
- B. JOBS shall assign participants to primary activities; unsubsidized employment is the 1st priority for all participants.
- C. The following are primary activities:
1. Job search and job readiness assistance for up to 6 weeks per calendar year;
 2. Unsubsidized employment;
 3. Subsidized employment - JOBSTART;
 4. OIT;
 5. Work experience;
 6. Community service programs;
 7. Vocational educational training for up to 1 year;
 8. Satisfactory attendance in high school or GED preparation classes for single teen custodial parents who are heads of household and have not obtained a high school diploma or GED;
 9. Education directly related to employment for teen custodial parents who are heads of household and have not obtained a high school diploma or GED, if actual participation hours equal at least the minimum hours required in primary activities.
- E. The Department shall require TPEP parents to participate for a minimum of 3 days in work activities before the Department authorizes issuance of the initial TPEP cash assistance payment.
- G. The Department shall require sanctioned individuals, who wish to reestablish their eligibility for cash assistance, to comply with JOBS requirements by participating for a minimum of 3 days in work activities before the Department authorizes issuance of the cash assistance payment.

R6-10-110. The self-initiated program (SIPS) model

- A. A mandatory program participant may qualify for the SIPS model if, at the time of initial referral to JOBS, the participant is already enrolled in a post-secondary educational or a vocational training program which is consistent with the partici-

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part's employability plan and substantially satisfies the criteria listed in subsection B.

B. JOBS shall use the following criteria to determine if a participant will qualify for the SIPS model:

1. The participant lacks a self-supporting skill for available jobs;
2. The job opportunities resulting from the education or training program will not be in an occupational area that has high turnover due to substandard wages or working conditions;
3. The education or training will result in the attainment of skills directly related to obtaining self-supporting employment in a recognized occupation;
4. The participant is attending an educational facility such as community college, college, university, vocational school or a recognized proprietary school at least half-time as defined by the educational or training facility;
5. The participant is making satisfactory progress in the education or training course;
6. The program of study will result in an associate or bachelor degree, a diploma or a certificate related to employment opportunities which are or are likely to become available;
7. The institution and programs meet the participant's needs;
8. The institution's reputation and student completion rates are satisfactory;
9. Other similar factors demonstrating that the participant's current educational or training program is likely to further the goals and objectives set forth in the participant's employability plan.

C. The SIPS model shall include the following sequence of activities:

1. Provision of or referral for supportive services;
2. Case management services when necessary pursuant to the criteria defined in R6-10-107.
3. Post-secondary education or training activities; and
4. Job search or work experience activities.

D. Participation in the SIPS model shall not exceed 2 years. If the participant fails to make at least satisfactory progress in the educational program, JOBS shall reevaluate the participant for placement in other JOBS activities.

R6-10-110. Participation Deemed to be Meeting the Work Requirement

A. JOBS shall deem the following participants to be meeting the work requirement.

1. A parent who is participating in work activities for at least the minimum average number of hours per week as described at R6-10-102(C).
2. A parent, with a child under age 6, who participates for at least 20 hours per week in primary activities, except that only 1 parent in a TPEP family can meet the federal work requirement in this manner.
3. A single, teen custodial parent under age 20 who:
 - a. Is head of household;
 - a. Has not obtained a high school diploma or GED; and
 - b. Maintains satisfactory attendance in high school or GED activities;
4. A single, teen custodial parent under age 20 who:
 - a. Is head of household;
 - a. Has not obtained a high school diploma or GED; and
 - c. Satisfactorily participates in education directly related to employment for at least the minimum number of hours required in primary activities.

B. A participant who falls in 1 of the categories shown in subsection (A), who is deemed to be meeting the work requirement,

may participate in additional work activities beyond those deemed to be meeting the work requirement.

R6-10-111. The teen parent model

A. To qualify for the teen parent model, a person shall:

1. Be age 13 through age 19; and
2. Be pregnant or the custodial parent of a child. For the purpose of this section a "custodial parent" means a parent who lives with his or her child.

B. The teen parent model shall include the following sequence of activities:

1. Case management services;
2. Provision of or referral for supportive services;
3. Educational activities; or
4. Job search or work experience activities.
5. JOBS may eliminate 1 or more of the activities described in subsection B when JOBS determines that such activities are inconsistent with the participant's employability plan.

R6-10-111. Participation in Secondary Activities

A. JOBS may assign a participant to secondary activities that are appropriate to the participant's employment plan only after the participant meets required participation in primary activities.

B. The following are secondary activities:

1. Job search and job readiness activities after the maximum 6 weeks per year allowable as a primary activity;
2. Job skills training;
3. High school or GED preparation for an individual (other than a single, teen custodial head parent who is head of household) who has not attained a high school diploma or GED certificate; and
4. Education directly related to employment for an individual (other than a single, teen custodial parent who is head of household) who has not attained a high school diploma or GED certificate.

R6-10-112. The direct employment JOBS model

A. JOBS shall assign, to the direct employment model, all persons not assigned to 1 of the models described in R6-10-109 through R6-10-111.

B. The direct employment model shall include the following sequence of activities:

1. Provision of or referral to supportive services;
2. Orientation and assessment;
3. Job search for a period not to exceed 4 weeks;
4. CWEP or other work experience activity, if the participant has not obtained employment within the initial job search period;
5. Case management services, including reevaluation of the participant's employability plan after 3 months of work experience, if the participant has still not obtained employment; and
6. Education, training or work experience activities.
7. JOBS may eliminate 1 or more of the activities described in subsection B when JOBS determines that such activities are inconsistent with the participant's employability plan.

R6-10-112. Job Search and Job Readiness Activities

A. JOBS may assign a participant to job search and job readiness activities as a primary activity in accordance with Public Law 104-193, Section 407 (1996).

B. A participant assigned to job search and job readiness activities as a primary activity shall participate in job search and job readiness activities for at least the minimum participation requirement within a calendar week.

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- C. JOBS shall count only 1 calendar week of job search and job readiness activities in which a participant participates for only 3 or 4 days in any week.

R6-10-113. Training-related expenses.

- A. JOBS shall reimburse a participant for expenses the participant has incurred in connection with Program participation, subject to the limitations described in this section.
- B. The Department shall reimburse only the following expenses:
1. Transportation to and from the JOBS activity;
 2. Meals.
- C. Any such reimbursement shall be the weekly actual cost to the participant or \$30.00 per week whichever is less.
- D. Any reimbursement shall not extend past the participant's 1st 4 weeks of employment.

R6-10-113. OJT

- A. JOBS may assign a participant to OJT when other work activities have not resulted in employment and OJT is consistent with the participant's employment plan.
- B. JOBS shall approve OJT worksites and assignments which:
1. Are designed to improve the participant's chances for employment, and
 2. Provide compensation in accordance with applicable wage laws.

R6-10-114. Supportive Services.

- A. JOBS shall provide a participant with paid child care and may provide other supportive services which the participant needs to fulfill the obligations listed in the participant's employability plan.
- B. Supportive services may include:
1. Payments to DES approved vendors for items such as clothing, tools, equipment and licenses;
 2. Medical services which are not covered by AHCCCS and are necessary to enable a participant to become employable through payments to DES approved service providers including medical examinations, dental services, eye glasses, counseling and other similar services;
 3. Medical services which are not covered by AHCCCS, but that are necessary for JOBS to make a determination of employability;
 4. Substance abuse rehabilitation services which are necessary to enable the individual to participate in the Program when such services are not available from another source and
 5. Temporary rental assistance for participants who are; employable but homeless, subject to the availability of funds.

R6-10-114. Work Experience

- A. JOBS may assign a participant to work experience to improve the participant's employability by providing work experience, or to meet participation requirements.
- B. JOBS may assign a participant to work experience that is consistent with the participant's employment goals set forth in the participant's employment plan and shall consider the participant's prior training and experience when making an assignment to work experience.

R6-10-115. Community work experience program (CWEP)

- A. JOBS may assign a participant to a CWEP designed to improve the participant's employability by providing the participant with work experience and training.
- B. JOBS shall assign a participant to a CWEP that is consistent with the participant's goals set forth in the participant's employability plan and shall consider the participant's prior training and experience in making a CWEP assignment.
- C. Participation in a CWEP shall not:

1. Extend past 12 months or other shorter periods, if prescribed by law.
2. Exceed the number of hours that would result from dividing the participant's monthly AFDC benefit amount by the federal minimum wage. The benefit amount used for this calculation shall not include any portion of the recipient's aid which is reimbursed by child support collections, except for funds paid to the recipient as a pass through payment.

R6-10-115. Community Service Programs

- A. JOBS may assign a participant to community service programs in conjunction with other primary activities to meet participation requirements.
- B. JOBS may assign a participant to community service programs to establish good work habits when the participant is unlikely to meet participation requirements by participating in other primary activities.

R6-10-116. On-the-job training (OJT)

- A. JOBS may require a participant to participate in OJT as a component of the participant's employability plan.
- B. JOBS may place a participant in OJT when all other Program activities have not resulted in employment and OJT is consistent with the employability plan.
- C. JOBS shall select OJT work sites which are:
1. Designed to improve the participant's chances for employment;
 2. Provide compensation in accordance with applicable wage laws.

R6-10-116. Vocational Educational Training

- A. JOBS may assign a participant to vocational educational training, for up to a maximum of 1 year, when other work activities have not resulted in employment and vocational educational training is consistent with the participant's employment plan.
- B. JOBS shall use the following criteria to determine if a participant may be assigned to, or remain in, vocational educational training:
1. The participant:
 - a. Lacks a self-supporting skill for available jobs in the participant's geographical area;
 - b. Will attend at least half-time, as defined by the institution, an educational or training facility which is legally authorized, accredited, or recognized in Arizona as providing a program to prepare students for gainful employment; and
 - c. Remains in good standing with the educational or training institution and makes satisfactory progress as defined by the institution.
 2. The education or training activities shall result in:
 - a. The attainment of skills directly related to job opportunities for self-supporting employment in a recognized occupation that does not have high turnover due to substandard wages or working conditions; and
 - b. An associate or bachelor degree, a diploma, a certificate, or a license related to employment opportunities which are or are likely to become available in the participant's geographical area.
- C. JOBS may approve, as vocational educational training, the educational or training activities of an individual who is already enrolled in education or vocational or technical training at the time the individual is registered in the Program.
- D. JOBS shall use the following criteria to determine if the educational or training activities of an individual already enrolled in education or training may be approved:
1. The individual:

- a. Is attending at least half-time, as defined by the institution, an educational or training facility which is legally authorized, accredited, or recognized in Arizona as providing a program to prepare students for gainful employment;
 - b. Is in good standing with the educational or training institution and is making satisfactory progress, as defined by the institution; and
 - c. Is within 2 years of completing the program of study.
2. The education or training activities shall result in:
- a. The attainment of skills directly related to job opportunities for self-supporting employment in a recognized occupation that does not have high turnover due to substandard wages or working conditions; and
 - b. An associate or bachelor degree, a diploma, a certificate, or a license related to employment opportunities which are or are likely to become available in the participant's geographical area.

R6-10-117. Post-secondary education.

- A. JOBS may assign individuals who are not in a post-secondary education program when they are referred to JOBS to a post-secondary education program when:
 - 1. The participant does not currently possess a self-supporting skill for jobs available in the local area;
 - 2. The education or training will result in the attainment of skills directly related to obtaining self-supporting employment in a recognized occupation;
 - 3. The course of study is consistent with the participant's employment goals;
 - 4. The program of study will result in an associate or bachelor degree, a diploma or a certificate related to employment opportunities which are or are likely to become available in the accessible geographical area;
 - 5. The job opportunities resulting from education or training will not be in an occupational area that has high turnover due to substandard wages or working conditions;
 - 6. The program is offered by a community college, college, university, vocational school or recognized proprietary school; and
 - 7. Other similar factors indicate that the education or training will prepare the participant to be self-sufficient and employable.
- B. Participation in post-secondary education shall not exceed 2 years. If the participant fails to make at least satisfactory progress in the educational program, JOBS shall reevaluate the participant for placement in other JOBS activities.

R6-10-117. High School, GED Preparation, and Education Directly Related to Employment

- A. JOBS may assign a teen custodial parent, who has not obtained a high school diploma or GED, to participate in educational activities.
- B. JOBS may assign a single, teen custodial parent under age 20, who is head of household and has not obtained a high school diploma or GED, to education directly related to employment.
- C. JOBS may assign an adult participant, who does not have a high school diploma or GED, to GED activities or education directly related to employment only as a secondary activity.

R6-10-118. Conciliation procedures: disputes involving participants.

- A. When a dispute arises between a Program participant and JOBS, JOBS shall 1st attempt to resolve the dispute informally through conciliation proceedings.

- B. A participant or JOBS worker may request conciliation proceedings by making a written request to JOBS describing the nature of the problem. If a participant makes an oral request, the JOBS worker shall help the participant put the request in writing by completing the appropriate JOBS form used for that purpose.
- C. Conciliation efforts shall begin within 2 working days of the date of a participant's written request or the date of a written notice from JOBS to the participant.
- D. Conciliation procedures shall terminate after thirty days or upon the conciliator's determination that the dispute cannot be resolved, whichever 1st occurs.
- E. A mandatory participant shall continue to participate in the Program while conciliation proceedings are pending. If a mandatory participant fails to participate, JOBS shall advise FAA to impose sanctions as provided in R6-10-119.

R6-10-118. Transportation-related Expenses

- A. JOBS shall pay a participant, on a weekly basis, a transportation allowance of \$5.00 per day for each day in which the participant participates in the Program and incurs a transportation expense as a result of such participation.
- B. Except for participants in subsidized employment, JOBS shall not pay transportation-related expenses past the participant's 1st 4 weeks of employment or receipt of the participant's 1st paycheck, whichever comes 1st.

R6-10-119. Non-participation; sanctions; good cause exceptions.

- A. When JOBS determines that a participant is not participating or is avoiding or limiting employment, JOBS shall determine whether there is good cause for such conduct.
- B. For the purpose of this section, the following circumstances shall constitute good cause:
 - 1. The participant is the parent or other relative personally caring for a child under age 6 and the employment would require the participant to work more than 20 hours per week;
 - 2. The participant requires child care, or day care for an incapacitated adult family member in order to participate or accept employment, and such care is unavailable;
 - 3. The employment would actually result in a net loss of cash income to the participant's family;
 - 4. The participant is ill or incapacitated;
 - 5. The participant could not report to the work site due to a lack of public or private transportation;
 - 6. The participant was incarcerated or ordered to make a court appearance;
 - 7. The participant had a crisis, emergency, or death in the participant's immediate family;
 - 8. Severe weather conditions prevented the participant and other persons similarly situated from traveling to or participating in the required activity;
 - 9. JOBS determined the assignment or job referral was inappropriate for the participant, and the lack of appropriateness was not discovered until after the participant was placed in the activity;
 - 10. The participant was laid off from employment, but has a definite return date within 30 days from the date of lay-off;
 - 11. The participant has a bona fide offer of full time employment and such employment begins within thirty days;
 - 12. The participant has been referred to a job or employment which is the subject of a strike, lockout, work stoppage, or other bona fide labor dispute;
 - 13. Other similar circumstances beyond the participant's control.

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- C. Upon finding that the participant failed to participate without good cause, JOBS shall send FAA written notification, specifying the dates of non-compliance and close the participant's JOBS case.

R6-10-119. Support Services

- A. The Department shall provide a participant with paid child care to enable participation in the Program.
- B. JOBS may provide a participant with other support services, through payments to DES-approved service providers, to enable participation in the Program.
- C. Support services include:
1. Health-related services which are not covered by AHC-CCS and which are necessary to enable a participant to become employed or to make a determination of employability including:
 - a. Medical examinations and tests.
 - b. Eyeglasses.
 - c. Dental services.
 - d. Mental health counseling, and
 - e. Other similar services.
 2. Other support services including:
 - a. Clothing;
 - b. Licenses;
 - c. Tools, equipment, and specialized garments used in specific occupations such as uniforms, hard hats, or other similar garments.
 3. Substance abuse rehabilitation services;
 4. Short-term crisis services for housing assistance and utility deposit assistance.
- D. During the 1st 30 calendar days of employment, JOBS may provide support services, which includes those listed in subsection (C) above.

R6-10-120. Non-participation; withholding; TPEP good cause exception.

- A. FAA shall withhold TPEP benefits to a family when a TPEP parent, who is a mandatory participant, without good cause:
1. Fails to participate in the Program or to accept suitable employment; or
 2. Terminates employment or reduces earnings.
- B. When JOBS determines that the TPEP parent is not participating or is avoiding or limiting employment, JOBS shall determine whether there is good cause for such conduct.
- C. For the purpose of this section, the circumstances listed in R6-10-119 shall constitute good cause.
- D. Upon finding that the TPEP parent failed to participate without good cause, JOBS shall send FAA notification, specifying the dates of non-compliance. JOBS shall close the TPEP case if the parent fails to comply in 2 consecutive work cycles.

R6-10-120. Issue Resolution Procedures: Issues Involving Participants

- A. When an issue arises between a participant and JOBS, JOBS shall 1st attempt to resolve the issue informally through issue resolution proceedings.
- B. A participant or JOBS may request issue resolution proceedings by making a written request to JOBS describing the nature of the problem. If a participant makes an oral request, JOBS shall help the participant put the request in writing by completing the JOBS notice used for that purpose.
- C. JOBS shall begin issue resolution procedures within 2 working days of the date of a participant's written request, or the date of a written notice from JOBS to the participant.
- D. Issue resolution procedures shall terminate after 45 days, or upon JOBS' determination that the issue cannot be resolved, whichever comes 1st.

- E. A participant shall continue to participate in the Program while issue resolution proceedings are pending. If a participant fails to participate, JOBS shall direct a sanction, as provided at R6-10-121, or withholding as provided at R6-10-123.

R6-10-121. Applicability; Conflicts With Chapter 3.

To the extent that any of the rules in this Article conflict with any rules set forth in Chapter 3 of this Title, these rules shall govern.

R6-10-121. All Families Except TPEP: Failure to Participate; Sanctions

- A. If an individual required to participate fails to participate at the JOBS initial interview, as outlined at R6-10-105, the Department shall sanction the individual.
- B. JOBS shall send the individual written notification explaining:
1. When and how the individual failed to comply.
 2. The consequences of the non-compliance.
 3. The month in which the Department shall impose the sanction, and
 4. How the individual can recommit.
- C. If a participant required to participate subsequently fails to participate or comply with Program requirements, or is avoiding or limiting employment, JOBS shall determine whether good cause exists as described in R6-10-122.
- D. When JOBS determines that a participant required to participate fails to participate without good cause as described in R6-10-122, the Department shall sanction the participant.
- E. JOBS shall send the participant written notification explaining:
1. When and how the participant failed to comply.
 2. The consequences of the non-compliance.
 3. The month in which the Department shall impose the sanction, and
 4. How the participant can recommit.
- F. At the 3rd and subsequent sanctions, JOBS shall close the participant's JOBS case.
- G. A participant is entitled to a fair hearing, as provided at R6-12-1001, to contest a Department sanction of cash assistance.
- H. A participant who wishes to appeal a sanction of cash assistance shall file a written request with the Department following the procedures in R6-12-1002.

R6-10-122. Good Cause Exceptions

- A. Good cause reasons are those deemed acceptable by JOBS which prevent a participant from participating in work activities, complying with JOBS requirements, or accepting employment. The following circumstances shall constitute good cause:
1. The participant had a verified illness;
 2. Either the participant or dependent child had a verified appointment, which could not be rescheduled, for a court-ordered appearance, incarceration, or other significant appointment such as an employment interview, Division of Child Support Enforcement (DCSE) related appointment, or other similar appointment;
 3. The participant had a verified emergency family crisis, such as loss of residence due to a natural disaster or the death of a participant's immediate family member;
 4. The participant had a temporary verified lack of transportation with no alternate means of transportation, including walking;
 5. The participant was prevented from participating due to verified severe weather conditions which prevented other persons in the area of the participant's residence from traveling.
 6. The participant provides verification that child care for a child under the age of 13 was unavailable, unaffordable, or unsuitable.

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7. The participant is not capable of performing the work assigned or the essential job functions related to the work activity due to unsafe worksite conditions, physical demands of the position, the participant's lack of skills or knowledge required for the position, and other similar circumstances.
 8. The job offered is vacant due to a strike, lockout, or other bona fide labor dispute; or the job offered is contrary to the conditions of the participant's membership in a union governing the occupation.
 9. The participant provides verification that he or she is experiencing a domestic violence episode which threatened the safety of the participant and/or the participant's child.
- B.** JOBS shall request, and the participant shall provide, verification of good cause. Verification may include the following:
1. Physician's statements;
 2. Appointment notices such as appointments from courts, FAA, and other similar notices;
 3. Death certificates;
 4. Public knowledge or newspaper articles;
 5. Information from the DES Child Care Administration (CCA);
 6. Police reports;
 7. Statements from crisis shelter staff and/or witnesses of domestic violence;
 8. Worksite visits;
 9. Signed participant statements containing all factors contributing to the failure to comply if no other verification is possible.
- R6-10-123. TPEP: Failure to Participate; Withholding**
- A.** If a TPEP parent required to participate fails to participate or comply with Program requirements, or is avoiding or limiting employment, JOBS shall determine whether good cause exists as described at R6-10-122.
- B.** When JOBS determines that a TPEP parent required to participate fails to participate without good cause, the Department shall withhold TPEP cash assistance.
- C.** JOBS shall send the participant written notification explaining:
1. When and how the parent failed to comply.
 2. The consequences of non-compliance.
 3. The pay period to which the Department shall impose the withholding, and
 4. How the individual can recompile.
- D.** At the 3rd withholding, JOBS shall close the participant's JOBS case.
- E.** A participant is entitled to a fair hearing, as provided at R6-12-1001, to contest a Department withholding of cash assistance.
- F.** A participant who wishes to appeal a withholding of cash assistance shall file a written request with the Department following the procedures in R6-12-1002.
- R6-10-124. Subsidized Employment - JOBSTART**
- A.** To be eligible to participate in JOBSTART, a participant shall:
1. Be a JOBS participant.
 2. Be receiving both cash assistance and food stamps.
 3. Have completed a Job Readiness workshop and preliminary job search.
 4. Be reasonably expected to be able to benefit from subsidized employment in terms of enhanced employability.
- B.** JOBS shall provide a JOBSTART orientation to participants. The orientation shall describe JOBSTART, including:
1. The benefits of subsidized employment;
 2. The diversion of the participant's cash assistance and food stamp benefits for wage subsidy;
 3. The consequences of failure to comply with JOBSTART requirements;
 4. The availability of, and the requirements to qualify for and obtain, supplemental payments;
 5. The fair hearing process for challenging adverse action or failure to receive a supplemental payment;
 6. The exclusion of JOBSTART wages in calculating cash assistance and food stamp benefit eligibility;
 7. The potential eligibility for advance Earned Income Credits (EIC) as allowed under the Internal Revenue Code.
- C.** JOBS shall make job referrals by matching a participant's skills, experience, and employment goal with a JOBSTART employer's requirements. JOBS shall also consider the following criteria in making JOBSTART employment referrals:
1. Whether a referral will give a participant additional employment opportunities because of skills learned through JOBSTART employment;
 2. Whether a referral is likely to result in a permanent, unsubsidized, or full-time employment for the participant;
 3. The length and quality of training the JOBSTART employer will provide to the participant;
 4. Wages, benefits, and opportunities for advancement;
 5. The employer's turnover rate; and
 6. Other comparable or similar factors.
- D.** JOBS shall schedule the participant for an interview with the prospective employer and notify the participant of the interview date, place, and time.
- E.** The employer shall decide whether to hire a participant.
- F.** A participant shall abide by an employer's regular requirements regarding:
1. Submitting an application for employment.
 2. Appearing for interviews.
 3. Providing necessary information such as citizenship verification.
 4. Hours of employment.
 5. Attendance.
 6. Job performance.
 7. Conduct, and
 8. Other similar conditions of the employment.
- G.** A participant shall comply with the following JOBSTART requirements:
1. Sign the JOBS form agreeing to abide by JOBSTART requirements;
 2. Appear for pre-referral and assessment interviews with JOBS staff or JOBS designee;
 3. File a weekly report of employment days, hours, and pay received;
 4. Accept and maintain subsidized employment;
 5. Establish good cause for failing to participate, as prescribed in R6-10-122;
 6. Report changes to JOBS which affect JOBSTART participation such as:
 - a. The need for additional support services as provided at R6-10-119.
 - b. Accepting or refusing an offer of employment.
 - c. Absence from or termination of employment.
 - d. Job position or function modifications, and
 - e. Other similar or comparable factors;
 7. Ensure that the participant's children between the ages of 6 and 16 receive school instruction as prescribed in A.R.S. § 15-802.
- H.** At the end of each work week, a participant shall complete and sign the JOBS form on which the participant shall indicate his or her name, days and hours worked, and pay received. The

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participant shall obtain his or her supervisor's signature, or that person's designee, on the form and send the form to his or her JOBS worker.

- I.** The Department shall use information on the form to determine:
1. Whether the participant is entitled to a supplemental payment as provided in R6-10-125(N);
 2. The amount of reimbursement for JOBSTART employers as prescribed in R6-10-126(H); and
 3. The participant's compliance with JOBSTART.
- J.** If the participant fails to send in the completed form, the Department shall impose a sanction, as provided in R6-10-121, or a withholding as provided in R6-10-123, of cash assistance, and withhold supplements. If the employer fails to sign the form, reimbursement payments to the employer shall be delayed until the employer signs the form or is terminated for the failure to sign, as prescribed in R6-10-126(D)(4).
- K.** Participants may participate in JOBSTART employment for up to 6 months with 1 extension of 3 months. If a participant's employer wishes to request an extension, the employer shall request the extension in writing and shall provide the following information on which JOBS shall base its decision to extend:
1. Name of the participant for whom the extension is requested.
 2. Position for which an extension is requested.
 3. What additional experience or training is needed to achieve competency.
 4. The employer's expectation for hiring the individual following the extension.
 5. The length of the extension, and
 6. Other similar or comparable factors indicating an extension is necessary.
- L.** Total JOBSTART employment time for a participant shall not exceed 9 months;
- M.** Participants shall comply with Program requirements, including all JOBSTART requirements, as described in this Article. If a participant fails to participate, comply with Program requirements, or is avoiding or limiting employment, the Department shall impose a sanction, as provided at R6-10-121, or withholding of cash assistance, as provided at R6-10-123.
- N.** Each month, the Department shall make supplemental payments to participants whose net wages did not equal the combined benefit amount of cash assistance and food stamps for which they were eligible.
- O.** When a participant's combined cash assistance and food stamp monthly benefit amount exceeds the amount of the participant's adjusted gross wages and supplemental payments for the same month, and the loss is due to an unpaid hour of absence as reported by the JOBSTART employer, the Department shall:
1. Presume that each unpaid hour was not for good cause;
 2. Withhold a supplemental payment to make up the difference; and
 3. Send the participant written notice of adverse action no later than 10 days following the end of the benefit month. At a minimum, the notice shall include the following information:
 - a. The information required for an adequate notice as described in R6-10-121(D);
 - b. The participant's right to provide verification of good cause for such absence, as prescribed in R6-10-122, and the participant's right to receive a supplemental payment if the Department finds that the participant has established good cause; and

- c. The participant's responsibility to provide documentation of good cause to JOBS within 10 calendar days from the date of notice to avoid withholding of the supplemental payment pending the outcome of a fair hearing.

- P.** The Department shall provide a supplemental payment reconciling the difference no later than 10 days after the end of the month in which the participant establishes good cause if:
1. The participant provides verification of good cause as described in R6-10-122(B); and
 2. The verification is received by JOBS within 10 calendar days of the date the adverse action notice was mailed.
- Q.** The Department shall not provide the participant a supplemental payment reconciling the difference if the participant does not request a hearing or requests a hearing but waives the continuation of benefits pending the outcome of the hearing, and either:
1. The participant does not provide any verification of good cause; or
 2. The participant does not timely provide verification of good cause.
- R.** The Department shall conduct hearings on appeals of adverse action as prescribed in Article 3. Grievances are also governed by procedures provided in Article 3.

R6-10-125. Employer Participation - JOBSTART

- A.** An employer who wants to participate in JOBSTART shall notify the JOBS office in the community where the employer is located. To qualify for participation, an employer shall:
1. Agree to place a participant in a full-time position;
 2. Reasonably expect to offer the participant an opportunity for full-time, unsubsidized employment;
 3. Normally require the participant to work no more than an average of 40 hours per week;
 4. Not place the participant in a position that will displace a regular employee;
 5. Pay wages that are substantially like the wages paid for similar jobs, with like adjustments for experience and skills, but never less than federal minimum wage;
 6. Maintain safety, health, and working conditions at or above levels generally acceptable in the industry and no less than that of comparable jobs offered by the employer;
 7. Provide training at the worksite which is necessary to meet the competency standards for the position;
 8. Provide health care coverage, sick leave, holiday and vacation leave, and other comparable benefits in conformance with the employer's rules for new employees;
 9. Provide Workers' Compensation coverage;
 10. Help the participant obtain any advance Earned Income Credit for which the participant may be eligible;
 11. Sign the agreement as prescribed in R6-10-125(D); and
 12. Sign the Department's certification form as prescribed in R6-10-125(F).
- B.** If the employer satisfies the criteria listed in subsection (A), the employer may place a job order with JOBS. The order shall include the following information on the available position:
1. Days and hours of work.
 2. Wages.
 3. Description of responsibilities.
 4. Benefits.
 5. Opportunity for advancement, and
 6. Other pertinent job related information.
- C.** No employer is required to participate in JOBSTART.
- D.** An employer who wants to hire a participant shall sign an agreement with the Department.

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1. The employer shall affirm that the employer satisfies all of the selection criteria listed in R6-10-125(A) and will continue to meet all the selection criteria while participating in JOBSTART.
 2. If the employer violates a JOBSTART requirement, the employer shall repay any reimbursements the employer receives after the date of the violation.
 3. The employer shall avoid conflicts of interest and the appearance of impropriety or favoritism in hiring practices, such as preferential hiring of relatives, friends, and business associates.
 4. The employer shall prepare and provide to the Department the following reports:
 - a. Each week, the employer shall verify and sign a timesheet for each participant stating:
 - i. Gross wages.
 - ii. Participant net earnings.
 - iii. Number of paid hours of work (including paid hours of leave).
 - iv. Hours for which a participant was not paid because the participant had an unexcused absence, and
 - v. Hours for which the participant was not paid because the employer reduced available work hours.
 - b. No later than the 10th workday of each calendar month following a month of work, the employer shall complete and provide to JOBS a 1-page report on each participant's performance. The report shall include the following information:
 - i. Skills (competencies) gained as a result of employment;
 - ii. Ability to correctly and timely complete assignments;
 - iii. General work habits such as punctuality, absenteeism, and neatness of work area; and
 - iv. Development of effective and efficient working relationships with people, including supervisors, peers, and subordinates.
 5. An employer shall allow JOBS staff to schedule and make visits to the worksite, so staff can observe a participant's work activities and interview the participant.
- E.** The employer shall sign and date the agreement. A JOBS representative and the participant shall also sign and date the agreement.
- F.** An employer who wants to participate in JOBSTART shall also provide JOBS with a signed, dated, and certified form. On the form, the employer shall certify the information listed in this Section as true, as to the employer, and its principal officers and directors.
1. The employer is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency, the state of Arizona, or any other state.
 2. The employer has not, within the preceding 3 years, been convicted of or had a civil judgment rendered against the employer for:
 - a. Fraud.
 - b. Antitrust.
 - c. Embezzlement.
 - d. Theft.
 - e. Forgery.
 - f. Bribery.
 - g. Falsification or destruction of records.
 - h. Making false statements, or
 - i. Receiving stolen property.
- G.** The Department shall compute an employer's reimbursement amount based on the information the participant and employer provided as described in R6-10-125(D)(4)(a).
- H.** For each participant, the employer's reimbursement for wages and employer's expenses shall not exceed a wage reimbursement that is the lesser of:
1. The gross wages paid to the participant in the month, or
 2. \$400.
- I.** The Department shall issue the reimbursement no later than the 25th day of the same calendar month in which the employer's report is timely received. Late receipt of the form may delay reimbursements.
- J.** If JOBS knows or learns of information indicating that the employer's certification, pursuant to R6-10-125(F), is or has become untrue, the Department shall terminate the employer's participation in JOBSTART and shall not allow the employer to participate in the future.
- K.** The Department shall also terminate the employer's participation in JOBSTART if the employer has shown a pattern of either terminating participants before the completion of training or of not offering unsubsidized employment to participants who have successfully completed training with the employer.
1. JOBS shall consider each occurrence of either circumstance in establishing the pattern.
 2. JOBS shall not allow the employer to participate in JOBSTART if the total occurrences exceed the greater of the following figures, unless the employer can establish good cause:
 - a. 2 occurrences, or
 - b. 20% of the total number of participants placed with the employer.
 3. If the employer claims good cause, the employer shall provide proof that the participant failed to meet the employer's requirements pursuant to R6-10-124(F), and that the employer attempted to establish a reasonable alternative with the participant but was unsuccessful, due to circumstances outside the employer's control.
- L.** If JOBS determines that an employer has violated JOBSTART requirements, as prescribed in R6-10-125(A), the Department shall take all of the following adverse actions against the employer:
1. Withhold any subsidized payments due the employer, following the date of the violation;
 2. Seek repayment of any amounts overpaid to the employer; and
 3. Not allow the employer to participate any longer in JOBSTART as prescribed in R6-10-125(J);
- M.** If the Department plans to take adverse action against an employer, the Department shall send the employer a written notice of adverse action. At a minimum, the notice shall include:
1. The name and address of the employer;
 2. The action taken and the reason for the adverse action;
 3. The authority for the action; and
 4. The employer's appeal rights.
- N.** An employer who disagrees with the amount of an unsubsidized payment, or who is subject to adverse action as prescribed in subsection (M), may file a grievance as provided in Article 3.
- O.** The Department shall conduct grievance procedures pursuant to R6-10-303.

ARTICLE 2. JOBSTART REPEALED

R6-10-201. Definitions Repealed

In addition to the definitions contained in R6-10-101 and in R6-12-1302, the following definitions apply in this Article unless the context otherwise requires.

1. "Control" means an individual in the Project who will receive regular JOBS Program supportive services and case management.
2. "Designated geographic area" means the following towns and zip code areas: Coolidge, 85228; Eloy, 85231; and Casa Grande, 85222, 85223, and 85230; and Mesa, 85201, 85202, 85203, 85204, 85205, 85206, 85207, 85208, 85210, 85211, 85213, 85215, 85224, 85225, 85226, 85227, 85234, 85236, 85240, 85242, 85244, 85248, 85249, 85251, 85252, 85257, 85264, 85269, 85271, 85281, 85282, 85283, 85284, and 85287.
3. "Employer" means a Project employer who hires an experimental during the course of the Project's duration.
4. "Experimental" means an individual in the Project who will be eligible for subsidized employment during the Project.
5. "Full-time employment" means employment of at least 30 hours per week.
6. "Project" means the 3-year JOBSTART demonstration project implemented through the JOBS Program in the designated geographic area and includes experimentals and controls. The Project will determine the effects of diverting AFDC and food stamp benefits of experimentals to employers who will pay Project participants' wages earned through employment.
7. "Project employment" means the subsidized employment for which experimentals are hired.
8. "Regular employee" means an unsubsidized individual currently employed by a Project employer.

R6-10-202. Project Applicability Repealed

- A. The Department shall implement the Project on November 1, 1995. JOBS shall consider persons who reside in the designated geographic area and who are referred to JOBS, as prescribed in R6-10-105, on or for the 27 months following the implementation date, for inclusion in the Project.
- B. Persons selected for participation as prescribed in R6-10-203 and R6-10-204 are subject to these rules contained in Article 2.

R6-10-203. Selection Criteria for Participation Repealed

To be eligible for the Project, a participant shall:

1. Be a mandatory participant;
2. Reside in the designated geographic area;
3. Be receiving both AFDC and food stamps;
4. Be age 19 or older;
5. Be assigned to job search activities for the 1st time in this period in the Program;
6. Not be enrolled in a State accredited, post-secondary institution full time, as defined by the institution;
7. Not be enrolled in a State accredited, post-secondary institution half time, as defined by the institution, and employed at least 20 hours per week;
8. Be a high school (HS) graduate or have completed requirements for a HS diploma or general equivalency diploma (GED).
 - a. If it is likely the participant can be matched with an employer with whom a HS diploma or GED program is offered at the work site, the participant shall be deemed to meet this requirement.
 - b. Teenage custodial parents shall have completed requirements for a HS diploma or GED.

R6-10-204. Classification as an Experimental or Control Repealed

- A. After a participant qualifies for the Project and after JOBS determines that a participant is eligible for the Project as prescribed in R6-10-203, JOBS shall randomly classify the participant as an experimental or a control.
- B. No person selected for the Project may choose or volunteer to be an experimental or a control.

R6-10-205. Project Orientation for Experimentals Repealed

The Department shall provide Project orientation to experimentals. The orientation shall describe the Project, including:

1. The benefits of the Project;
2. The diversion of the experimental's AFDC and food stamp benefits for wage subsidy;
3. The consequences of failure to comply with Project requirements;
4. The availability of and the requirements to qualify for and obtain supplemental payments;
5. The fair hearing process for challenging adverse action or failure to receive a supplemental payment;
6. Potential entitlement to additional funds as an offset to the cost incurred as a result of the requirement that an experimental count the food stamp cash value as net income for income tax purposes;
7. The pass-through to the household of current month child support collected, and the disregard of this income when AFDC and food stamp eligibility benefits are calculated, as prescribed in R6-12-504 and R6-12-1305(B);
8. The exclusion of a portion of wages when AFDC and food stamp benefits are calculated at redetermination, as prescribed in R6-12-1305(A); and
9. The potential eligibility for advance Earned Income Tax Credits (EITC).

R6-10-206. Assessment for Project Employment Referrals and Employer Interviewers Repealed

- A. The Department shall assess experimentals for Project employment as prescribed in R6-10-106(B).
- B. The Department shall make all job referrals as prescribed in subsection (C).
- C. The Department shall make job referrals by matching an experimental's skills, experience, and employment goal, with a Project employer's requirements. The Department shall also consider the following criteria in making Project employment referrals:
 1. Whether a referral will give an experimental additional employment opportunities because of skills learned through Project employment;
 2. Whether a referral is likely to result in a permanent, unsubsidized, or full-time employment for the experimental;
 3. The length and quality of training the Project employer will provide to the experimental;
 4. Wages, benefits and opportunities for advancement;
 5. The employer's turnover rate; and
 6. Other comparable or similar factors.
- C. The Department shall schedule the experimental for an interview with the prospective employer and notify the experimental of the interview date, place, and time.
- D. The employer shall decide whether to hire an experimental.

R6-10-207. Project Participation Requirements Repealed

- A. An experimental shall abide by an employer's regular requirements regarding:
 1. Submitting an application for employment;
 2. Appearing for interviews;

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3. Providing necessary information such as citizenship verification;
 4. Hours of employment;
 5. Attendance;
 6. Job performance;
 7. Conduct; and
 8. Other similar conditions of the employment.
- B.** An experimental shall comply with the following Project requirements:
1. Sign the Departmental form agreeing to abide by Project requirements;
 2. Appear for pre-referral and assessment interviews with Departmental staff or designee;
 3. File a report of employment days, hours, and pay received, as prescribed in R6-10-208;
 4. Accept and maintain subsidized employment;
 5. Establish good cause for failing to participate, as prescribed in R6-10-210;
 6. Report changes to JOBS which affect Project participation such as:
 - a. The need for additional supportive services as prescribed in R6-10-113 and R6-10-114;
 - b. Accepting or refusing an offer of employment;
 - c. Absence from or termination of employment;
 - d. Job position or function modifications; and
 - e. Other similar or comparable factors; and
 7. Ensure that their children between the ages of 6 and 16 receive school instruction as prescribed in A.R.S. 15-802.

R6-10-208. Monitoring Repealed

- A.** At the end of each work week, an experimental shall sign and send his or her JOBS worker the Department's form on which the experimental shall state his or her name, days and hours worked, and pay received. The experimental shall have his or her supervisor, or that person's designee, sign the form.
- B.** The Department shall use information on the form to determine:
1. Whether the experimental is entitled to a supplemental payment as prescribed in R6-12-1306;
 2. The amount of reimbursement for Project employers as prescribed in R6-10-218; and
 3. The experimental's compliance with the Project.
- C.** If the experimental fails to send in the completed form, the Department shall sanction the experimental and withhold supplemental payments. If the employer fails to sign the form, reimbursement payments may to the employer be delayed.
- D.** If the experimental is engaging in job search activities as prescribed in R6-10-209(B), the experimental shall provide evidence of job search activities through attachment of 1 or more of the following documents, as applicable:
1. List of employers contacted by name address and phone number;
 2. Description of contact; and
 3. Date of contact.

R6-10-209. Duration of Participation; Extension Repealed

- A.** Experimentals may participate in Project employment for up to 9 months with 1 extension of 3 months. An experimental's employer must request the extension in writing and shall provide the following information on which the Department will base its decision to extend:
1. Name of the experimental for whom the extension is requested;
 2. Position for an which extension is requested;
 3. What additional experience or training is needed to achieve competency;

4. The employer's expectation for hiring the individual following the extension.
 5. The length of time for the extension; and
 6. Other similar or comparable factors indicating an extension is necessary.
- B.** If the Department approves the extension for a fixed period of time, not to exceed 3 months, the employer shall allow the experimental to engage in up to 8 hours per week of job search activities during the extension period. The employer shall treat the search time as hours worked for the purpose of paying wages.
- C.** Total Project employment time for an experimental shall not exceed 12 months.

R6-10-210. Failure of Experimentals to Comply, Good Cause, and Verification Repealed

- A.** Experimentals shall comply with Program and Project requirements as prescribed in A.A.C. Title 6, Chapter 10.
- B.** The following conduct constitutes a failure to comply with Project requirements and the Department shall sanction the experimental as prescribed in R6-10-119 or R6-10-120:
1. Violation of any applicable rule in A.A.C. Title 6, Chapter 10, Article except as otherwise provided in subsection (C) below; and
 2. Failure to sign the Department's form indicating a willingness to abide by Project requirements.
- C.** The following constitutes failure to comply with Project employment requirements and the Department shall sanction experimentals as prescribed in R6-12-1307(A):
1. Failure to appear for assessment or pre-referral interviews pursuant to R6-10-206;
 2. Failure to submit an employment application as required by the Project employer, without good cause as prescribed in subsection (D);
 3. Failure to appear for an employment interview without good cause as prescribed in subsection (D);
 4. Failure to accept subsidized employment without good cause as prescribed in subsection (D);
 5. Failure to maintain employment on at least 2 occasions unless:
 - a. The separation is initiated by the Project employer and the circumstances in subsection (C)(5) do not apply;
 - b. The separation is for reasons outside the control of the experimental; no reasonable alternative is available; and the experimental's attempts to adjust the work requirements or personal circumstances are unsuccessful. The reasons include those prescribed in R6-10-119 except that (B)(1) and (B)(3) do not apply; or
 - c. The separation is due to an action or omission of the Project employer which rendered the work unsuitable, such as failing to pay the experimental on time, or as prescribed in R6-10-214(A)(1) through (7); and
 5. Willful misconduct resulting in subsidized employment termination; willful misconduct shall include, but is not limited to:
 - a. Disruptive behavior by the experimental of a severe enough nature to disrupt the performance of other employees or to impede the employer's business;
 - b. Unexcused tardiness and absences, as defined by the employer;
 - c. Refusal or failure to abide by the employer's job requirements;
 - d. Reducing employment hours; or
 - e. Substance abuse.

D. The following circumstances constitute good cause for a failure to apply for, interview for, or to accept subsidized employment:

1. The participant refused a job offer due either to a strike, lockout or similar labor dispute; or
2. The job requires the participant to join a company union or to resign membership or refrain from joining a bona fide labor organization.

E. The circumstances listed in R6-10-119(B)(2),(4) through (9), and (13). An experimental shall provide his or her JOBS worker with documentation to substantiate a claim of good cause for failure to maintain employment. Verification shall include:

1. For claims of illness or incapacity, a statement from a licensed physician;
2. For a claim that child care is unavailable, a statement from the DES Child Care Administration;
3. For a claim of an inoperable vehicle, an auto mechanic's statement that the only vehicle available is inoperable;
4. For claims of no public transportation, a bus schedule;
5. For claims regarding a court appointment, a copy of a court notice requiring appearance; and
6. Other similar documentation demonstrating the experimental was unable to work for reasons beyond the experimental's control.

R6-10-211. Supplemental Payments and Good Cause Repealed

A. Each month the Department shall make supplemental payments to experimentals as prescribed in R6-12-1306.

B. When an experimental's combined AFDC and food stamp monthly benefits exceed the amount of the experimental's adjusted gross wages and supplemental payments for the same month, and the loss is due to an unpaid hour of absence as reported by the Project employer, the Department shall send the experimental written notice of adverse action no later than 10 days following the end of the benefit month. At a minimum, the notice shall include the following information:

1. The information required for an adequate notice as described in R6-12-101(1), except that the notice is mailed as prescribed in this subsection;
2. The experimental's right to provide documentation of good cause for such absence as prescribed in R6-10-210(F), and the experimental's right to receive a supplemental payment if the Department finds that the experimental has established good cause; and
3. The experimental's responsibility to provide documentation of good cause to JOBS within 10 calendar days from the date of the notice.

C. The Department shall provide a supplemental payment reconciling the difference no later than 10 days after the end of the month in which the experimental establishes good cause if:

1. The experimental provides verification of good cause as described in R6-10-208(F); and
2. The verification is received by JOBS within 10 days of the date of the notice.

D. The Department shall not provide the experimental a supplemental payment reconciling the difference if the experimental does not request a fair hearing; or, requests a hearing but waives the continuation of benefits pending the outcome of the fair hearing; and either:

1. The experimental does not provide any verification of good cause; or
2. The experimental does not timely provide verification of good cause.

R6-10-212. Fair Hearings; Grievances Repealed

The Department shall conduct hearings on appeals of adverse action as prescribed in Article 3. Grievances are also governed by A.A.C. Title 6, Chapter 10, Article 3.

R6-10-213. Support Services Repealed

The Department shall provide support services to experimentals as prescribed in R6-10-113 and R6-10-114.

R6-10-214. Employer Participation Repealed

A. An employer who wants to participate in the Project shall notify the Department's JOBSTART office in the community where the employer is located. To qualify for participation, an employer shall satisfy the following criteria:

1. Agree to place an experimental in a permanent, full-time position, not a seasonal or temporary position;
2. Reasonably expect to offer the experimental an opportunity for full-time, unsubsidized employment;
3. Normally require the experimental to work no more than an average of 40 hours per week;
4. Not place the experimental in a position that will displace a regular employee;
5. Pay wages that are substantially like the wages paid for similar jobs, with like adjustments for experience and skills, but never less than federal minimum wage;
6. Maintain acceptable industry safety, health and working conditions;
7. Provide training at the worksite which is necessary to meet the competency standards for the position;
8. Provide a mentor to the Project participant;
9. Help the experimental obtain any advance Earned Income Tax Credit for which the experimental may be eligible;
10. Not have been debarred pursuant to R6-10-219;
11. Sign an agreement as prescribed in R6-10-215 indicating that the employer meets criteria in this subsection (A);
12. Sign the Department's certification form as prescribed in R6-10-216; and
13. Not have a workforce composed of more than 10% experimentals unless the Department grants a waiver pursuant to R6-10-217.

B. If the employer satisfies the criteria listed in subsection (A), the employer may place a job order with the Department. The order shall include the following information on the available position:

1. Days and hours of work;
2. Wages;
3. Description of responsibilities;
4. Benefits;
5. Opportunity for advancement; and
6. Other pertinent job related information.

C. No employer is required to participate in the Project.

R6-10-215. Employer Agreement; Reports Repealed

A. An employer who wants to hire an experimental shall sign an agreement with the Department:

1. The employer shall affirm that the employer satisfies all of the selection criteria listed in R6-10-214(A), and will continue to meet all the selection criteria while participating in the Project.
2. If the employer violates a Project requirement, the employer shall repay any reimbursements the employer receives after the date of the violation.
3. The employer shall avoid conflicts of interest and the appearance of impropriety or favoritism in hiring practices, such as preferential hiring of relatives, friends and business associates.
4. The employer shall prepare and provide to the Department the following reports:

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- a. No later than the 2nd workday following the end of each calendar month, the employer shall report the following information for each experimental:
 - i. Gross wages;
 - ii. Federal and state income taxes, and FICA contributions deducted from gross wages;
 - iii. The employer's costs for the Social Security portion of FICA; and for Unemployment Insurance and Workman's Compensation premiums;
 - iv. Number of paid hours of work (including paid hours of leave);
 - v. Hours for which an experimental was not paid because the experimental did not report for work; and
 - vi. Hours for which the experimental was not paid because the employer reduced available work hours.
- b. No later than the tenth workday of each calendar month following a month of work, the employer shall complete and provide to Department a 1-page report on each experimental's performance. After the 1st 4 reports, the employer shall submit the report every 6 months. The report shall include the following information:
 - i. Skills (competencies) gained as a result of employment;
 - ii. Mastery of organizational skills, such as ability to prioritize assigned tasks;
 - iii. Ability to correctly and timely complete assignments;
 - iv. General work habits such as punctuality, absenteeism, and neatness of work area; and
 - v. Development of effective and efficient working relationships with people, including supervisors, peers and subordinates.
- 5. An employer shall allow Department staff to schedule and make visits to the worksite, so staff can observe an experimental's work activities and interview the experimental.
- 6. An employer shall verify information by signing the experimental's weekly participation report described in R6-10-207(A).
- C. The employer shall sign and date the agreement. A Department representative shall also sign and date the agreement.

R6-10-216. Employer Certification Repealed

An employer who wants to participate in the Project shall also provide the Department with a signed, dated, certification form. On the form, the employer shall certify that the information listed in this section is true as to the employer, and its principal officers and directors.

- 1. The employer is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency, the State of Arizona, or any other state.
- 2. The employer has not, within the preceding 3 years, been convicted of or had a civil judgment rendered against the employer for:
 - a. Fraud;
 - b. Antitrust;
 - c. Embezzlement;
 - d. Theft;
 - e. Forgery;
 - f. Bribery;
 - g. Falsification or destruction of records;
 - h. Making false statements; or
 - i. Receiving stolen property.

R6-10-217. Limits on Employer Participation; Workforce Waiver Repealed

- A. An employer may hire 1 experimental but shall not fill more than 10% of the employer's total work force at a worksite with experimentals, unless the Department approves a workforce waiver for the employer.
- B. An employer interested in obtaining a workforce waiver shall request the workforce waiver in writing on a Department form. The employer shall provide the following information concerning the worksite for which the employer seeks a waiver:
 - 1. Employee data, including:
 - a. The number of employees employed at the worksite;
 - b. The number and type of positions available to experimentals; and
 - c. The wages and hours of the available positions;
 - 2. The percent of the employer's workforce that the employer seeks to fill with experimentals and the total experimental workforce percentage if the requested waiver were approved;
 - 3. A statement that existing employees will not be adversely affected by the waiver, as described in R6-10-302, by the increased numbers of experimentals that may be hired; and
 - 4. A statement explaining why the potential hires will benefit.
- C. The Department shall consider the information provided by the employer and the following factors in determining whether to grant the requested waiver:
 - 1. Lack of suitable positions with other employers;
 - 2. Quality of the employer's training and mentoring program;
 - 3. Transferability of skills to other employment opportunities;
 - 4. Local labor market factors affecting the employability of persons with the skills to be acquired;
 - 5. Employer's history regarding permanent hiring of experimentals in unsubsidized employment; and
 - 6. Wages, advancements, and other comparable factors.
- D. The Department will send the employer a written notice advising the employer as to whether the Department will grant a waiver, and the waiver percentage allowed. The waiver shall be for a fixed percentage of the workforce and shall not be in effect for more than 1 year. The Department is not obligated to renew the waiver and may cancel the waiver on 60 days notice to the employer.

R6-10-218. Employer Reimbursements Repealed

- A. The Department shall compute an employer's reimbursement amount based on the information the employer provides pursuant to R6-10-215(A)(4).
- B. For each experimental, the employer's reimbursement for wages and employer's expenses shall not exceed:
 - 1. A wage reimbursement that is the lesser of:
 - a. The gross wages paid to the experimental in the month;
 - b. Eight hours per day, up to 40 hours per week, times the federal minimum wage; or
 - c. The total AFDC plus food stamp benefits for the benefit month in which the wages were paid; plus
 - 2. A reimbursement of the employer's share of the Social Security portion of FICA, Unemployment Insurance, and Workman's Compensation premiums that is the lesser of:
 - a. The employer's actual expense; or
 - b. The employer's expense based on an average of a 40 hour work week times the federal minimum wage.

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~~C. The Department shall issue the reimbursement no later than the 25th day of the same calendar month in which the employer's report is timely received. Late receipt of the form may delay reimbursements.~~

~~D. The Department shall not issue reimbursements if the Department receives the report more than 30 calendar days after the end of the month for which a reimbursement is requested.~~

R6-10-219. Termination of Employer Participation Repealed

~~A. If the Department knows or learns of information indicating that the employer's certification, pursuant to R6-10-216, is or has become wrong or false, the Department shall terminate the employer's participation in the Project, and shall not allow the employer to participate in the future, pursuant to the procedures prescribed in R6-10-220.~~

~~B. The Department shall terminate the employer's Project participation if the employer violates Project requirements, and not allow further participation in the Project pursuant to the procedures prescribed in R6-10-220.~~

~~C. The Department shall also terminate the employer's participation in the Project if the employer has shown a pattern of either terminating experimentals before the completion of training or of not offering unsubsidized employment to experimentals who have successfully completed training with the employer.~~

- ~~1. The Department shall consider each occurrence of either circumstance in establishing the pattern.~~
- ~~2. The Department shall not allow the employer to participate in the Project if the total occurrences exceed the greater of the below, unless the employer can establish good cause:~~
 - ~~a. 2 occurrences; or~~
 - ~~b. In 20% of the total number of experimentals placed with the employer.~~
- ~~3. If the employer claims good cause, the employer shall provide proof that the experimental failed to meet the employer's requirements pursuant to R6-10-207(A), and that the employer attempted to establish a reasonable alternative but was unsuccessful, due to circumstances outside the employer's control.~~

R6-10-220. Employer Sanctions and Grievances Repealed

~~A. If the Department determines that an employer has violated Project requirements, as prescribed in R6-10-219, the Department shall take all of the following adverse action against the employer:~~

- ~~1. Withhold any subsidized payments due to the employer, following the date of the violation;~~
- ~~2. Seek repayment of any amounts overpaid to the employer; and~~
- ~~3. Not allow the employer to participate any longer in the Project as prescribed in R6-10-219;~~

~~B. If the Department plans to take adverse action against an employer, the Department shall send the employer a written notice of adverse action. At a minimum, the notice shall include:~~

- ~~1. The name and address of the employer;~~
- ~~2. The action taken and the reason for the adverse action;~~
- ~~3. The authority for the action; and~~
- ~~4. The employer's appeal rights.~~

~~C. An employer who disagrees with the amount of an unsubsidized payment or who is subject to adverse action as prescribed in subsection (A) may file a grievance with the Department as prescribed in A.A.C. Title 6, Chapter 10 Article 3.~~

~~D. The Department shall conduct grievance procedures pursuant to R6-10-303.~~

ARTICLE 3. GRIEVANCE PROCEDURES

R6-10-301. Definitions

The definitions in R6-10-101 and R6-10-201 apply in this Article, unless the context otherwise requires.

R6-10-303. Grievance Process

- ~~A. No change.~~
- ~~B. No change.~~
- ~~C. No change.~~
- ~~D. No change.~~
- ~~E. No change.~~
- ~~F. If the aggrieved party does not choose to seek an informal resolution as prescribed in subsections (C) and (D) above, the aggrieved party may request a fair hearing by filing a request with the local JOBS office. An employer who requests a fair hearing shall file a request within 20 calendar days of the date of the adverse action notice as described in A.A.C. R6-12-1002 R6-10-220. Upon request, JOBS shall assist the aggrieved party in preparing the hearing request. Assistance shall include an explanation of the aggrieved party's right to fair hearing, the fair hearing procedures, and the process.~~
- ~~G. No change.~~
- ~~H. No change.~~
- ~~I. No change.~~

R6-10-304. Further Appeal

~~A. Regular employees grieving displacement issues pursuant to R6-10-125(A)(4) R6-10-302 may appeal the decisions of a Department hearing officer as prescribed below:~~

- ~~1. The aggrieved party shall send the appeal to:
Office of Administration Law Judges
U.S. Department of Labor
Vanguard Building, Room 600
1111 20th Street, N.W.
Washington, DC 20036~~
- ~~2. The aggrieved party shall send a copy of the appeal to the following:~~
 - ~~a. Assistant Secretary for Employment and Training
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210; and~~
 - ~~b. Assistant Secretary for Family Support
Department of Health and Human Services
370 L'Enfant Promenade, SW, 6th Floor
Washington, DC 20447~~
- ~~3. The aggrieved party shall include the following information in the appeal:~~
 - ~~a. The full name, address and telephone number of the aggrieved party;~~
 - ~~b. Citations to provisions or regulations the aggrieved party believes have been violated;~~
 - ~~c. A copy of the original grievance filed with the state; and~~
 - ~~d. A copy of the state's finding and decision.~~
- ~~4. The decision of the Office of the Administrative Law Judges is the final decision of the Department of Labor.~~
- ~~B. Employers grieving issues pursuant to R6-10-220 R6-10-125 may appeal the findings of a Department hearing officer to the Department's Appeals Board pursuant to R6-12-1014(A) except that the decision of the Board is final.~~

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TITLE 6. ECONOMIC SECURITY

CHAPTER 12. DEPARTMENT OF ECONOMIC SECURITY

CASH ASSISTANCE PROGRAM

AID TO FAMILIES WITH DEPENDENT CHILDREN

PREAMBLE

<u>1. Sections Affected</u>	<u>Rulemaking Action</u>
R6-12-101.	Amend
R6-12-102.	Amend
R6-12-104.	Amend
R6-12-105.	Amend
R6-12-201.	Amend
R6-12-202.	Amend
R6-12-203.	Amend
R6-12-204.	Amend
R6-12-205.	Amend
R6-12-207.	Amend
R6-12-210.	Amend
R6-12-211.	Amend
R6-12-301.	Amend
R6-12-302.	Amend
R6-12-304.	Amend
R6-12-305.	Amend
R6-12-306.	Amend
R6-12-307.	Renumber
R6-12-307.	Amend
R6-12-308.	Amend
R6-12-309.	Amend
R6-12-310.	Amend
R6-12-311.	Amend
R6-12-312.	Amend
R6-12-313.	Amend
R6-12-314.	Renumber
R6-12-314.	Amend
R6-12-315.	New Section
R6-12-316.	New Section
R6-12-317.	New Section
R6-12-318.	Renumber
R6-12-318.	Amend
R6-12-319.	Renumber
R6-12-319.	Amend
R6-12-320.	Renumber
R6-12-320.	Amend
R6-12-401.	Amend
R6-12-402.	Amend
R6-12-404.	Amend
R6-12-405.	Amend
R6-12-501.	Amend
R6-12-502.	Amend
R6-12-503.	Amend
R6-12-504.	Amend
R6-12-505.	Amend
R6-12-507.	Amend
Article 6.	Amend
R6-12-601.	Amend
R6-12-602.	Amend
R6-12-603.	Amend
R6-12-604.	Amend
R6-12-605.	Amend
R6-12-606.	Amend
R6-12-607.	Amend

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R6-12-608.	Amend
R6-12-609.	Amend
R6-12-610.	Amend
R6-12-611.	Amend
R6-12-612.	Amend
R6-12-613.	Amend
R6-12-614.	Amend
R6-12-617.	Amend
R6-12-701.	Amend
R6-12-702.	Amend
R6-12-703.	Amend
R6-12-705.	Amend
R6-12-806.	Amend
R6-12-808.	New Section
R6-12-903.	Amend
R6-12-905.	Amend
R6-12-906.	Amend
R6-12-907.	Amend
R6-12-908.	Amend
R6-12-1001.	Amend
R6-12-1003.	Amend
R6-12-1103.	Amend
6-12-1201.	Amend
R6-12-1301.	Amend
R6-12-1302.	Amend
R6-12-1303.	Repeal
R6-12-1303.	Renumber
R6-12-1303.	Amend
R6-12-1304.	Renumber
R6-12-1304.	Amend
R6-12-1305.	Renumber
R6-12-1305.	Amend
R6-12-1306.	Renumber
R6-12-1306.	Amend
R6-12-1307.	Repeal

2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing: A.R.S. §§ 41-1954(A)(3), 41-1954(F), 46-101(7), 46-134(12), 46-204(A), 46-207(C), 46-211, 46-213, 46-217(D), 46-292(L) and (O), 46-294(D), 46-296(B)(4)(b), 46-299(G) and (H)(5)(d)(i), and 46-352(A).

Implementing: Laws 1997, Chapter 300.

Statute authorizing the exemption: Laws 1997, Chapter 300, § 74(A).

3. The effective date of the rules:

July 31, 1997

4. A list of all previous notices appearing the Register addressing the exempt rules:

None

5. The name and address of agency personnel with whom persons may communicate regarding the rule:

Name: Vista Thompson Brown
Address: Department of Economic Security
1789 West Jefferson, Site Code 837A
Phoenix, Arizona 85007
or
P.O. Box 6123, Site Code 837A
Phoenix, Arizona 85005
Telephone: (602) 542-6555
Fax Number: (602) 542-6000

6. An explanation of the rule, including the agency's reason for initiating the rule, including the statutory citation to the exemption from the regular rulemaking procedures:

Laws 1997, Chapter 300, § 74(A) (SB1357) gives the Department an exemption from the Administrative Procedure Act for the purpose of developing or revising rules to implement the requirements of SB1357. SB1357 comprehensively changed the state's welfare laws to conform to the changes in federal law effected by the Personal Responsibility and Work Opportunity Reconcilia-

tion Act of 1996. SB1357 eliminates the Aid to Families with Dependent Children program and adopts a new cash assistance program entitled Temporary Assistance to Needy Families. The changes in the rules implement the changes in SB1357 and cover such matters as the program name (which was changed to Cash Assistance program) to program eligibility requirements (including a heavy emphasis on the individual's responsibility to work toward self-sufficiency) to sanctions for failure to comply with program requirements.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:
Not applicable
8. The summary of the economic, small business, and consumer impact:
Because these rules are exempt from the Administrative Procedure Act under Laws 1997, Chapter 300, § 74(A), the Department did not prepare an economic impact statement.
9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):
Not applicable
10. A summary of the principal comments and the agency response to them:
Not applicable
11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:
Not applicable
12. Incorporations by reference and their location in the rules:
R6-12-305.
13. Was this rule previously adopted as an emergency rule?
No
14. The full text of the rules follows:

TITLE 6. ECONOMIC SECURITY

CHAPTER 12. DEPARTMENT OF ECONOMIC SECURITY

CASH ASSISTANCE PROGRAM

AID TO FAMILIES WITH DEPENDENT CHILDREN

ARTICLE 1. GENERAL PROVISIONS

Section

- R6-12-101. Definitions
- R6-12-102. Confidentiality
- R6-12-103. Case Records
- R6-12-104. Manuals
- R6-12-105. EMPOWER: Random Assignment Evaluation

ARTICLE 2. APPLICATION PROCESS AND PROCEDURES

Section

- R6-12-201. Application
- R6-12-202. Request for Benefits; Composition of the Assistance Unit
- R6-12-203. Initial Eligibility Interview
- R6-12-204. Disability Determination
- R6-12-205. Verification of Eligibility Information
- R6-12-206. Home Visits
- R6-12-207. Withdrawal of Application
- R6-12-208. Death of an Applicant
- R6-12-209. Processing the Application; Denials; Approval
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ARTICLE 1. GENERAL PROVISIONS

R6-12-101. Definitions

The following definitions apply to this Chapter:

1. "Adequate notice" means a notice which explains the action the Department intends to take, the reason for the action, the specific authority for the action, the recipient's appeal rights, and right to benefits pending appeal, and which is mailed before the effective date of the action.
2. "Adequate and timely notice" means a written notice which contains the information required for an adequate

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- notice and is sent within the time-frame provided for a timely notice.
3. "Adverse action" means 1 of the Department actions described in R6-12-1001(A), including action to terminate or reduce a benefit or assistance grant, or change the manner or form in which benefits are paid.
 4. ~~AFDC or Aid to Families with Dependent Children means a program administered by the Department which provides assistance to needy families with dependent children pursuant to 42 U.S.C. 601 et seq.~~
 4. 5. "AHCCCS" or "Arizona Health Care Cost Containment System" means a system established pursuant to A.R.S. § 36-2901 et seq. which consists of contracts with providers for the provision of hospitalization and medical care coverage to members.
 5. 6. "AHCCCSA" or "The Arizona Health Care Cost Containment System Administration" means the Arizona state government agency which administers the AHCCCS program.
 7. ~~Alien means a person who is not a United States citizen.~~
 8. ~~Alien sponsor or sponsor means an organization which, or a person who, has executed an affidavit of support or similar agreement on behalf of an alien who is not the child or spouse of the sponsor, as a condition of the alien's entry into the United States.~~
 6. 9. "Appellant" means an applicant or recipient of assistance who is appealing an adverse action by the Department.
 7. 10. "Applicant" means a person who has directly, or through an authorized representative or responsible person, filed an application for CA AFDC with the Department.
 8. 11. "Assistance unit" or "unit" means a group of persons whose needs, income, resources, and other circumstances are considered as a whole for the purpose of determining eligibility and benefit amount.
 9. 12. "Available income or resources" means income or resources which are actually available for use of the assistance unit, and income or resources in which the applicant or recipient has a legal interest in a liquidated sum and has the legal ability to make such sum available for support and maintenance.
 10. 13. "Benefit month" means the calendar month for which benefits are paid based upon the assistance unit's projected income and anticipated circumstances for that same month.
 11. 14. "Benefit payment" means a monetary amount which the Department pays to an assistance unit for a particular benefit month.
 12. 15. "Bona fide funeral agreement" means a prepaid plan that specifically covers only funeral-related expenses as evidenced by a written contract.
 13. 16. "Burial plot" means a space reserved in a cemetery, crypt, vault, or mausoleum for the remains of a deceased person.
 14. ~~"CA" means Cash Assistance, a program administered by the Department which provides assistance to needy families with dependent children pursuant to 42 U.S.C. 601 et seq.~~
 15. 17. "Calendar quarter" means 1 of the 4 consecutive 3-month periods of a calendar year beginning with either January 1, April 1, July 1, or October 1.
 16. 18. "Calendar year" means a period of 12 consecutive months beginning with January 1 and ending with December 31.
 17. 19. "Caretaker relative" means a parent or relative who maintains a family setting for a dependent child and who exercises responsibility for the day-to-day physical care, guidance, and support of that child.
 18. 20. "Child welfare agency" means any agency or institution as defined at A.R.S. § 8-501(A)(1).
 19. ~~"Collateral contact" means an individual agency or organization the Department contacts to confirm information provided by the applicant or recipient.~~
 20. 21. "Countable income" means the amount of gross income of the assistance unit which the Department considers to determine eligibility and compute a benefit amount.
 21. 22. "Day" means a calendar day unless otherwise specified.
 22. 23. "Department" means the Arizona Department of Economic Security.
 23. 24. "Dependent child" means a child as defined at A.R.S. § 46-101(5).
 24. 25. "Disregards" means those deductions which the Department applies to the assistance unit's gross countable income to determine eligibility and benefit amount.
 25. 26. "District Medical Consultant" means a licensed physician whom the Department employs to review medical records for the purpose of determining physical or mental incapacity.
 26. 27. "Earned income" means any gain to the assistance unit as defined in 45 CFR 233.20(a)(6)(iii) through (viii) (October 1994) which is incorporated by reference and on file with the Office of the Secretary of State and not including any later amendments or editions.
 27. 28. "Eligibility determination date" means the date the Department makes the decision described in R6-12-706 and issues the eligibility decision notice.
 28. 29. "EMPOWER project" means the Arizona welfare reform project approved by the U.S. Department of Health and Human Services pursuant to 42 U.S.C. 1315. Under the EMPOWER project, Arizona has federal approval to deviate from certain provisions of the federal law governing operation of the CA AFDC, Food Stamp, and JOBS programs.
 29. 30. "Encumbrance" means a legal debt.
 30. 31. "Equity value" means fair market value minus encumbrances.
 31. 32. "FAA" or "Family Assistance Administration" means the administration within the Department's Division of Benefits and Medical Eligibility with responsibility for providing financial and food stamp assistance to eligible persons and determining medical eligibility.
 32. 33. "Fair consideration" means an amount which reasonably represents the fair market value of transferred property.
 33. 34. "Fair market value" means the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell, and both having reasonable knowledge of the relevant facts.
 34. 35. "Foster care maintenance payment" means a monetary amount which the Department pays to a foster parent for the expenses of a child in foster care.
 35. 36. "Foster child" means a child placed in a foster home or a child welfare agency.
 36. 37. "Homebound" means a person who is confined to the home because of physical or mental incapacity.
 37. 38. "Homestead property" means a home owned and occupied by an applicant or recipient, or which is co-owned and occupied by a separated or divorced spouse of an applicant or recipient.
 38. 39. "Income" means earned and unearned income combined.

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40. "IEVS" or "Income Eligibility and Verification System" means a system through which the Department exchanges income and benefit information with the Internal Revenue Service, Social Security Administration, State Wage, and Unemployment Insurance Benefit data files.
39. 41. "JOBS" or "Job Opportunities and Basic Skills Training Program" means the program authorized by 42 U.S.C. 681 - 687 and A.R.S. §§ 46-299 41-2026 - 41-2027, which assists CA AFDC recipients to prepare for, obtain, and retain employment.
40. 42. "Job Corps" means the program authorized by 29 U.S.C. 1691 et seq. which provides education, training, intensive counseling, and related assistance to economically disadvantaged young men and women.
41. 43. "JTPA" or "Job Training Partnership Act" means the program authorized by 29 U.S.C. 1501 et seq. which prepares youth and unskilled adults for entry into the labor force and affords special job training.
42. 44. "Liquid asset" means cash or another financial instrument which is readily convertible to cash.
43. 45. "Local office" means an FAA office which is designated as the office in which CA AFDC applications and other documents are filed with the Department and in which eligibility and benefit amounts are determined.
44. 46. "Lump sum income" means a single payment of earned or unearned income, such as retroactive monthly benefits, non-recurring pay adjustments or bonuses, inheritances, lottery winnings, or personal injury and workers' compensation awards.
45. 47. "Mailing date", when used in reference to a document sent 1st class, postage prepaid, through the United States mail, means the date:
 - a. Shown on the postmark;
 - b. Shown on the postage meter mark of the envelope, if there is no postmark; or
 - c. Entered on the document as the date of its completion, if there is no legible postmark or postage meter mark.
46. 48. "Mandatory member" or "mandatory member of the assistance unit" means any natural or adoptive parent, and any blood-related or adoptive sibling, of a dependent child, if the parent or sibling lives in the same household with the dependent child and is otherwise eligible for assistance.
47. 49. "Need standard" means the money value the state assigns to the basic and special needs deemed essential for applicants and recipients.
48. 50. "Net income" means the assistance unit's total gross income, less applicable disregards, which is used to compute the benefit amount.
49. 51. "NPCR" or "Non-parent caretaker relative" means a person, other than a parent, who is related by blood, marriage, or lawful adoption to the dependent child and who maintains a family setting for the dependent child and exercises responsibility for the day-to-day care of the dependent child.
50. "Noncitizen" means a person who is not a United States citizen.
51. "Noncitizen sponsor", which is sometimes referred to as a "sponsor", means an organization which, or a person who, has executed an affidavit of support or similar agreement on behalf of a noncitizen who is not the child or spouse of the sponsor, as a condition of the noncitizen's entry into the United States.
52. "Notice date" means the date which appears as the official date of issuance on a document or official written notice the Department sends or gives to an applicant or recipient.
53. "OSI" or "Office of Special Investigations" means the Department office to which FAA refers cases for investigation of certain eligibility information, investigation and preparation of fraud charges, coordination and cooperation with law enforcement agencies, and other similar functions.
54. "Overpayment" means a financial assistance payment received by or for an assistance unit for a benefit month and which exceeds the amount to which the unit was lawfully entitled.
55. "Parent" means the lawful mother or father of a dependent child and includes only a birth or adoptive parent and excludes a stepparent.
56. "Participating in a strike" means engaging in any activity as defined at 29 U.S.C. 142(2), as amended through June 23, 1947, which is incorporated by reference and on file with the Office of the Secretary of State and not including any later amendments or editions.
57. "Party" means the Department and the applicant or recipient.
58. "Payment standard" means the amount of money from which net income is subtracted to calculate the monthly benefit amount.
59. "Physical or mental incapacity" means a physical or mental impairment which substantially precludes a parent from providing for the support or care of the parent's child.
60. "PI" means the Primary Informant, who is the individual who signs the Application for Assistance; in TPEP assistance units the PI is the PWEP.
61. "PRA" means the Personal Responsibility Agreement, which is a document listing the obligations of a household that applies for and receives CA.
62. 60. "Projected income" means an estimate of income that an applicant or recipient reasonably expects to receive in a specific month, the actual amount of which is unknown but which is estimated from available and reliable information.
63. 61. "Prospective eligibility" means an eligibility determination for a benefit month based on income and other circumstances as they actually exist, and are anticipated to exist, in that same month.
64. 62. "Putative father" means a male person whom a birth mother has named as father of her child, but whose paternity has not been established as a matter of law.
65. 63. "Prospective budgeting" means the computation of a benefit amount for a particular benefit month based on the Department's projected income and circumstances as they actually exist and are anticipated to exist for that same month.
66. "PRWORA" means the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193).
67. 64. "PWEP" or "Primary wage earning parent" means the parent in a 2-parent family who earned the greater amount of income in the 24-month period immediately preceding the month in which an application for benefits is filed.
68. 65. "Recipient" means a person who is a member of an assistance unit.
69. 66. "Request for hearing" means a clear written expression by an applicant or recipient, or such person's representative, indicating a desire to present the case or issue to a higher authority.

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70. 67. "Resident" means a person who meets the definition of A.R.S. § 46-292(A)(1).
71. 68. "Resources" means the assistance unit's real and personal property.
72. 69. "Review" means a review of all factors affecting an assistance unit's eligibility and benefit amount.
73. 70. "Spendthrift restriction" means a legal restriction on the use of a resource which prevents a payee or beneficiary from alienating the resource.
74. 71. "Sponsored noncitizen alien" means a noncitizen alien whose entry into the United States was sponsored by a person who, or an organization which, executed an affidavit of support or similar agreement on behalf of the noncitizen alien, who is not a child or spouse of the sponsor.
75. 72. "Student" means a person who is attending a school, college, or university, or who is enrolled in a course of vocational or technical training designed to prepare the trainee for gainful employment, and includes a participant in Job Corps.
76. 73. "Suitable work" means work in a recognized occupation for which a person is reasonably qualified.
77. 74. "Support" means child support, alimony, spousal maintenance, or medical support.
78. "Supportive Services unit" means an assistance unit which is eligible for all benefits, except a monthly cash amount, that a CA assistance unit receives.
79. "SVES" means the State Verification and Exchange System which is a system through which the Department exchanges income and benefit information with the Internal Revenue Service, Social Security Administration, State Wage, and Unemployment Insurance Benefit data files.
80. "TANF" means Temporary Assistance for Needy Families, which is a program administered by the Department to provide assistance to needy families with dependent children pursuant to 42 U.S.C. 601 et seq.
81. 75. "Timely notice" means a notice which the Department mails at least 10 days before the date on which the action described in the notice will occur or take effect or, in circumstances of probable fraud, at least 5 calendar days in advance of the date such action is effective.
82. 76. "Title IV-A of the Social Security Act" means 42 U.S.C. 601 - 617, the statutes establishing the CA AFDC program.
83. 77. "Title IV-E of the Social Security Act" means 42 U.S.C. 670 - 679, the statutes establishing the foster care and adoption assistance programs.
84. 78. "TPEP" or "2-Parent Employment Program" means the CA AFDC program which provides assistance for needy dependent children who are deprived of parental support because the primary wage-earning parent is unemployed.
85. 79. "Underpayment" means a monthly benefit payment which is less than the amount for which the assistance unit is eligible, or the failure to issue a benefit payment when such payment should have been issued.
86. 80. "Vendor payment" means a payment which a person or organization who is not a member of an assistance unit makes to a 3rd-party vendor to cover assistance unit expenses.
87. "Voluntary Quit/Reduction in Work Effort" is an action to willingly quit a job or reduce work effort without good cause.
88. 81. "Warrant" means a payment instrument drawn on the Arizona State Treasury authorizing payment of a particular sum of money to an CA AFDC recipient.

R6-12-102. Confidentiality

- A. No change.
- B. No change.
- C. No change.
- D. No change.
1. No change.
2. The Department may release confidential information to the following persons and agencies to the extent required for official purposes:
- a. Department employees;
- b. Employees of the Social Security Administration;
- c. Public assistance agencies of any other state;
- d. Persons connected with the administration of child support enforcement activities;
- e. Arizona Attorney General's Office;
- f. Persons connected with the administration of federal or federally assisted programs which provide assistance, in cash or in-kind, or services directly to individuals on the basis of need;
- g. Government auditors when the audits are conducted in connection with the administration of any assistance program by a governmental entity which is authorized by law to conduct such audits;
- h. AHCCCSA, for eligibility purposes;
- i. Law enforcement officials for an investigation, prosecution, or civil or criminal proceedings conducted by or on behalf of the Department or a federal public assistance agency in connection with the administration of a public assistance program; and
- j. The Internal Revenue Service for the purpose of identifying improperly claimed tax exemptions by the absent parent of a child supported by CA AFDC.

R6-12-104. Manuals

Each FAA office shall maintain and keep available for public inspection and copying during regular business hours, a copy of the CA AFDC program manual.

R6-12-105. EMPOWER: Random Assignment Evaluation

- A. The Department shall randomly assign CA AFDC applicants and recipients who are served by the Glendale, Peoria, 67th Avenue, and Chinle FAA local offices into experimental, non-experimental, and control groups for an evaluation of the EMPOWER project modifications approved by the U.S. Department of Health and Human Services pursuant to 42 U.S.C. 1315.
- B. The control group shall consist of at least 1,500 CA AFDC cases which are active on November 1, 1995, and at least 1,500 new CA AFDC applicant cases which are approved thereafter.
- C. No change.
- D. The following rules do not apply to an applicant or recipient who is assigned to the control group:
1. R6-12-308,
2. R6-12-315,
3. R6-12-318 R6-12-316,
4. R6-12-319 R6-12-317, and
5. R6-12-404.

ARTICLE 2. APPLICATION PROCESS AND PROCEDURES

R6-12-201. Application

- A. Any person may apply for CA AFDC by filing, either in person or by mail, a Department-approved application form with any FAA office.
- B. No change.
- C. No change.

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- D. An application for CA AFDC is automatically treated as an application for AHCCCS medical benefits.

R6-12-202. Request for Benefits; Composition of the Assistance Unit

- A. An applicant may request CA assistance for any person living in the applicant's home.
- B. A request for CA assistance for a dependent child shall also include a request for benefits for the parents of the dependent child, and any siblings of the dependent child, who reside in the applicant's home.
- C. An applicant who is the non-parent caretaker relative (NPCR) of a dependent child and who meets the requirements of R6-12-306(A)(4) may also ask request to be included in the CA grant an award of AFDC benefits.
- D. When 1 NPCR cares for step-siblings or children who lack any sibling relationship, the NPCR and the children shall be included in the same CA AFDC grant.
- E. Notwithstanding any other provision of this Chapter, no person shall receive CA AFDC in more than 1 assistance unit in Arizona in any calendar month.
- F. No change.

R6-12-203. Initial Eligibility Interview

- A. No change.
- B. No change.
- C. No change.
1. No change.
2. No change.
3. No change.
4. Provide the applicant with written information explaining:
- a. The terms, conditions, and obligations of the CA AFDC program, including the requirement that the applicant obtain and provide a social security number to the Department;
- b. Any additional verification information as prescribed in R6-12-205(A) which the applicant must provide for the Department to conclude the eligibility evaluation;
- c. The Department's practice of exchanging eligibility and income information through the State Verification and Exchange System (SVES) Income and Eligibility Verification System (IEVS);
- d. The coverage and scope of the CA AFDC program, and related services which may be available to the applicant, including child care benefits;
- e. The applicant's rights, including the right to appeal adverse action;
- f. The AHCCCS enrollment process;
- g. The requirement to report all changes within 10 calendar days from the date the change becomes known;
- h. The family planning services available through AHCCCS health plans;
5. No change.
6. No change.
7. No change.
8. Explain the applicant's duties to:
- a. Cooperate with the Division of Child Support Enforcement (DCSE) in establishing paternity and enforcing support obligations, unless the applicant can show good cause for not doing so;
- b. Transmit to the Department any support payments the applicant receives after the date the applicant is approved to receive CA AFDC; and

- c. Participate in the Job Opportunities and Basic Skills Training (JOBS) program, unless the applicant or recipient is determined to be exempt from such participation;

9. No change.

10. No change.

11. No change.

D. No change.

E. No change.

R6-12-204. Disability Determination

- A. When an assistance unit is requesting CA AFDC due to the mental or physical incapacity of a parent, as provided in R6-12-310(G), the Department shall verify the existence of the disability.
- B. No change.
- C. No change.
1. No change.
2. No change.
3. The Veteran's Administration has determined that the person has at least a 100% 50% disability;
4. ~~The Department's Rehabilitation Services Administration has found the person eligible for vocational rehabilitation services and the person has an Individual Written Rehabilitation Plan;~~
4. 5. The person's physician has released the person from the hospital and imposed work restrictions for a specified recuperation period;
5. 6. The person's employer or physician has required the person to terminate employment due to the onset of a disability and the physician has specified a recuperation period;
6. 7. The person's physician has determined that the person is capable of employment only in a sheltered workshop, for a specified period of time, and the person is so employed; or
7. 8. A prior certification of disability is in the person's case record and is still valid to cover the period in which assistance is requested and will be received.
- D. No change.

R6-12-205. Verification of Eligibility Information

- A. No change.
- B. No change.
1. No change.
2. No change.
3. No change.
4. Conducting a computer data match through SVES IEVS.
- C. No change.
- D. No change.
- E. No change.

R6-12-207. Withdrawal of Application

- A. An applicant may withdraw an application at any time before the Department completes an eligibility determination prior to its disposition by requesting a withdrawal from providing the Department either orally or in writing with a written request for withdrawal signed by the applicant.
- B. If an applicant orally makes an oral asks request to withdraw an application the Department shall:
1. Document the names of persons and type of benefits or services the applicant wishes to withdraw, and
1. The Department shall accept the oral request, provide the applicant with a written withdrawal form, and request that the applicant complete the form and return it to the Department. The Department shall inform the applicant of the consequences of not returning the withdrawal form within 10 days of the notice date.

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2. ~~Deny the application and notify the applicant.~~
2. ~~If the applicant fails to return the completed withdrawal form, the Department shall deny the application for failure to provide information unless the applicant rescinds the oral withdrawal request within 10 days of the date the Department provides the applicant a withdrawal form.~~
- C. ~~A withdrawal is shall be effective as of the date of application, file date unless the applicant specifies a different date on the withdrawal form.~~
- D. When an application is withdrawn, an applicant must file a new application to restart the application process.
- D. ~~An application that has been withdrawn shall not be reinstated; an applicant who has withdrawn an application shall apply anew.~~

R6-12-210. Six-month Review

- A. The Department shall complete a review of all eligibility factors for each assistance unit at least once every 6 months, beginning with the 6th month following the 1st month of CA AFDC eligibility.
- B. No change.
- C. No change.
- D. No change.
- E. No change.
- F. No change.

R6-12-211. Reinstatement of Benefits

- A. No change.
- B. No change.
 1. No change.
 2. No change.
3. The recipient files a request for fair hearing as provided in R6-12-1002 within 10 days of the notice date of the termination notice, unless the request is for continuance of benefits past the 24-month limit set forth at R6-12-317 R6-12-315, or the 6-month limit set forth at R6-12-611.
- C. No change.

ARTICLE 3. NON-FINANCIAL ELIGIBILITY CRITERIA

R6-12-301. Non-financial Eligibility Criteria

To qualify for CA AFDC, a person shall satisfy all applicable criteria set forth in this Article.

R6-12-302. Applicant and Recipient Responsibility

- A. No change.
- B. No change.
- C. As a condition of eligibility, the Department shall require as a condition of eligibility the parent or NPCR to sign a Personal Responsibility Agreement when the parent or NPCR applies for benefits for a dependent child.
- D. The Department shall inform the parent or NPCR that the signature acknowledges that:
 1. The parent or NPCR is aware of and agrees to the statements in the Personal Responsibility Agreement regarding:
 - a. Preparing for and accepting employment to achieve self-sufficiency;
 - b. Ensuring school attendance by all school-age children;
 - c. Maintaining current immunizations for all dependent children; and
 - d. Cooperating with all rules and requirements of the Family Assistance, JOBS, and Child Care Administrations and of the Division of Child Support Enforcement.

2. The parent or NPCR agrees to the statement of personal responsibility on behalf of all other current and future members of the assistance unit.
- E. The Department shall inform the parent or NPCR at the interview that failure to sign the Personal Responsibility Agreement will result in denial of CA benefits.

R6-12-304. Residency

- A. To qualify for CA AFDC, a person shall be an Arizona resident.
- B. No change.
- C. No change.
- D. No change.
- E. No change.

R6-12-305. Citizenship and Alienage

- A. To qualify for CA AFDC, a person shall be a United States citizen or a noncitizen legal alien who satisfies the requirements of PRWORA Section 431 and who meets eligibility requirements of PRWORA Section 402 45 CFR 233.50 (October 1994), not including any later amendments or editions, which are is incorporated by reference and are available for inspection at on file with the Department's Authority Library, 1789 West Jefferson, Phoenix, Arizona, and the Office of the Secretary of State, 1700 West Washington, Phoenix, Arizona and not including any later amendments or editions.
- B. No change.
- C. A sponsor's income and resources shall not be included in the eligibility determination when a lawful permanent resident noncitizen verifies 40 quarters of employment history.
- D. ~~C.~~ An ineligible noncitizen alien may serve as payee for the eligible members of an assistance unit, but the Department shall exclude the needs of the ineligible noncitizen alien from the assistance grant.

R6-12-306. Eligible Persons

- A. To qualify for CA AFDC, an otherwise eligible person shall be:
 1. No change.
 2. A dependent child age 18 and, as provided in R6-12-314 R6-12-307, who is a full time student in a secondary school, or the equivalent level of vocational or technical training school, and is reasonably expected to complete such education or training before turning age 19;
 3. The parent of an eligible CA AFDC child; or
 4. A non-parent caretaker relative of an eligible CA AFDC child when:
 - a. The parent of the dependent child
 - i. Does not live in the NPCR's home,
 - ii. Lives with the NPCR but is also a dependent child, or
 - iii. Lives with the NPCR but cannot function as a parent due to a physical or mental impairment;
 - b. The NPCR provides the dependent child with physical care, support, guidance, and control; and
 - c. The dependent child resides with the NPCR.
- B. If otherwise eligible, the CA AFDC assistance unit shall include the following persons who are related to a dependent child for whom the applicant requests assistance:
 1. Any natural or adoptive parent, and
 2. Any natural or adopted brother or sister.

R6-12-307 R6-12-314. Social Security Number

- A. To qualify for CA AFDC, a person shall furnish a social security number (SSN). If a member of an assistance unit lacks an SSN, the Department shall assist the person in applying for an SSN through procedures established between the Department and the United States Social Security Administration (SSA).

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B. No change.

R6-12-308. Ineligible Children; Family Benefit Cap

A. ~~The Department shall not provide CA to a child except~~ Except as provided in subsection (C) ~~(D)~~, born during a month a dependent child is not eligible for AFDC benefits if such child is born during when: a month in which the parent or non-parent caretaker relative of the child is:

1. The parent or non-parent caretaker relative is receiving CA or supportive services, or An eligible member of an CA AFDC assistance unit;
2. The child is born to a A mandatory member of a CA an AFDC assistance unit who is ineligible for CA AFDC benefits due to noncompliance with an eligibility requirement or failure to meet an eligibility requirement, ; or
3. Off CA AFDC for less than 60 months during the period between CA AFDC termination and CA AFDC reinstatement.

B. A child born during any period of time specified in subsection (A) is ineligible for CA AFDC for a 60-consecutive-calendar-month period, as provided in this subsection:

1. The 60-month period of ineligibility for the child begins with the 1st calendar month the parent or non-parent caretaker relative is eligible for CA AFDC after November 1, 1995, and continues for 60 consecutive calendar months. A subsequent 60-month period begins the 1st eligible month following expiration of a prior 60-month period.
2. A child born during any period of time specified in subsection (A) may qualify for CA AFDC upon expiration of the 60-month period prescribed in subsection (B)(1), if otherwise eligible.

~~C.~~ A dependent child who is ineligible pursuant to subsection (A) remains ineligible for the duration of the 60-month period prescribed in subsection (B) if the child subsequently lives with another parent or relative.

~~C.~~ ~~D.~~ An assistance unit may receive CA benefits for a an additional child that would otherwise be excluded under subsection (A) if:

1. The child is born within 10 calendar months of an initial CA eligibility determination made on or after November 1, 1995;
2. The parent or non-parent caretaker relative is an active CA AFDC participant on November 1, 1995, and the child is born within 10 months of the 1st eligibility redetermination thereafter;
2. 3. The parent has not received CA AFDC or supportive services for a minimum of 12 consecutive months, and the child is born:
 - a. No earlier than the 22nd month after the parent left CA AFDC; and
 - b. No later than the end of the 10th month after the parent returns to CA AFDC;
3. 4. The child is the firstborn, including all children in the case of a multiple birth such as twins or triplets, of a dependent child who is included in a CA an AFDC assistance or supportive services assistance unit; or
4. 5. The child is born as a result of an act of sexual assault or incest and the applicant or recipient meets satisfies the following requirements:
 - a. The applicant or recipient shall file a written statement with the Department to certify that a child was conceived as a result of sexual assault or incest and shall provide supporting verification.
 - b. Acceptable verification includes:
 - i. Medical or law enforcement records in cases of sexual assault or incest, or

ii. Birth certificate or Bureau of Vital Statistics Records in cases of incest.

c. ~~The Department shall accept the written statement of the applicant or recipient as verification of sexual assault or incest when the applicant or recipient is unable to provide evidence to support the claim of sexual assault or incest. If the applicant or recipient is unable to provide evidence to support the claim of sexual assault or incest, the Department shall accept the written statement of the applicant or recipient as sufficient verification of sexual assault or incest unless evidence to the contrary exists.~~

d. The FAA shall report allegations of sexual assault or incest to the Office of Special Investigations and, if the parent is a minor, to Child Protective Services. The Department shall not disclose the name, address, and any information concerning the sexual assault or incest to any person except those persons who require the information to investigate the allegations.

~~D.~~ ~~E.~~ An assistance unit which includes a child who is ineligible due to the provisions of this Section may earn income up to the incremental benefit increase the assistance unit would otherwise receive for the ineligible child without any adverse affect on eligibility or benefit level. The Department shall disregard such income.

1. No change.
2. No change.

~~E.~~ ~~F.~~ The Department shall include a child who is ineligible for CA AFDC due to the provisions of this Section in the assistance unit's standard of need and shall count the income and resources of the ineligible child available to the assistance unit.

~~E.~~ ~~G.~~ A child who is ineligible for CA AFDC due solely to the provisions of this Section may receive the following services, if otherwise eligible:

1. AHCCCS,
2. JOBS,
3. Child care Title IV-A child care, and
4. Any other program or service for which CA AFDC recipients categorically qualify.

~~G.~~ ~~H.~~ A parent or NPCR may receive CA AFDC for himself or herself when the only dependent child in the home is ineligible for assistance due to the provisions of this Section.

R6-12-309. Relationship

A. To qualify for CA AFDC, a dependent child shall reside with at least 1 of the following specified relatives:

1. No change.
2. No change.
3. No change.
4. No change.

B. No change.

1. No change.
2. No change.
3. No change.

C. No change.

R6-12-310. Deprivation

A. No child shall receive CA AFDC unless the child is deprived of parental support or care due to the continued absence, death, incapacity, or unemployment of the child's parent.

- B. No change.
- C. No change.
- D. No change.
- E. No change.
- F. No change.

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- G. No change.
- H. No change.

R6-12-311. Assignment of Support Rights; Cooperation

- A. To qualify for CA AFDC, an applicant shall assign to the Department all rights to a support obligation from any other person the applicant or recipient may have in his or her own behalf or in behalf of any other family member for whom the applicant or recipient is applying for or receiving CA AFDC, including any unpaid support obligation or support debt which has accrued at the time the assignment is made.
- B. A refusal to execute such an assignment is a refusal to complete the application and shall result in denial of the CA AFDC application.
- C. No change.
- D. After being approved for CA AFDC, the recipient shall transmit all monetary support received to the Department.
- E. No change.
- F. Cooperation shall include the actions listed in this subsection.
 - 1. Identifying and locating the parent of a child for whom CA is requested, aid is claimed;
 - 2. Establishing the paternity of a child born out-of-wedlock, for whom CA is requested, aid is claimed;
 - a. The applicant shall sign and complete an affidavit of paternity.
 - b. The mother and father of a child may voluntarily acknowledge paternity in a signed, notarized statement.
 - 3. Obtaining support payments, or other payments or property due the applicant or recipient for the benefit of the child, ; and
 - 4. Any of the following actions, when relevant or necessary:
 - 4. Appearing at a child support enforcement office when requested, to provide oral or written information or documentary evidence known to, possessed by, or reasonably obtainable by the applicant or recipient.
 - a. Appearing at a child support enforcement office to provide oral or written information, or documentary evidence, known to, possessed by, or reasonably obtainable by the applicant or recipient;
 - 5. Appearing as a witness at a judicial or administrative hearing or proceeding when requested.
 - b. Appearing as a witness at a judicial or administrative hearing or proceeding;
 - 6. Providing information, or attesting to the lack of information, when requested.
 - c. Providing information, or attesting to the lack of information, under penalty of perjury; and
 - 7. Paying to the Department any support payments received from the absent parent after the assignment of rights pursuant to subsection (A) has been made.
 - d. Paying to the Department any support payments received from the absent parent after the assignment of rights pursuant to subsection (A) has been made.
- G. If the applicant or recipient fails to cooperate as required by subsection (F) without good cause, the Department shall impose the penalties provided under Section R6-12-316. :
 - 1. Exclude the parent or NPCR from the assistance grant, and
 - 2. Appoint a protective payee pursuant to R6-12-806.

R6-12-312. Good Cause for Non-cooperation with Child Support Enforcement

- A. No change.
- B. No change.
- C. No change.
- D. No change.

- E. No change.
 - 1. No change.
 - 2. Medical or law enforcement records in cases of sexual assault rape or incest;
 - 3. No change.
 - 4. No change.
 - 5. No change.
 - 6. No change.
- F. No change.
- G. No change.
- H. No change.
- I. No change.
- J. No change.

R6-12-313. Participation in JOBS; Exemptions; Good Cause Exceptions

- A. As a condition of eligibility, a recipient of CA AFDC shall participate in the Job Opportunities and Basic Skills Training Program (JOBS) as prescribed in A.A.C. R6-10-101 through R6-10-121, unless FAA determines that the person is exempt.
- B. The following persons are exempt from participation:
 - 1. No change.
 - 2. No change.
 - 3. No change.
 - 4. A person age 60 or older;
 - 5. A person who suffers from a physical or mental illness or infirmity which prevents the person from engaging in employment or training;
 - 6. A person who is needed in the home because a member of the person's household is ill or incapacitated and unable to care for himself, and no one else is available to provide care;
 - 7. A person who resides so remotely from a JOBS Program office or JOBS Program services that the round trip, exclusive of time required to transport any children to and from a child care provider, exceeds 2 hours by reasonably available public or private transportation, or, if other transportation is unavailable, by walking;
 - 4. 8. A person with a child under age 6 who is currently employed at least 20 hours per week in unsubsidized employment which pays at least the federal minimum wage and which is expected to last at least 30 days, or A a person with a child age 6 or older who is currently employed at least 30 hours per week in unsubsidized employment which pays at least the federal minimum wage and which is expected to last at least 30 days; Any interruption in such employment shall not exceed 10 days; and
 - 9. A woman who is at least 3 months pregnant and who expects to deliver her child in the month in which participation would be required, or within the following 6 months;
 - 10. A full-time volunteer serving in the Volunteers In Service To America (VISTA) program;
 - 5. 11. A Native American tribal member who resides in an area covered by a Tribal JOBS program, ; and
 - 12. A parent or eligible caretaker relative who is personally providing care for a child under age 13 when the state cannot guarantee child care for the child.
- C. A parent or eligible caretaker relative of a child under the age of 1, who is personally providing full time care for that child, may also be exempt, subject to the limitations set forth in this subsection:
 - 1. Only 1 parent or eligible caretaker relative from the assistance unit may qualify for this exemption.
 - 2. A custodial parent or pregnant girl who is age 13 through age 19 shall have a high school diploma, or its equivalent,

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or be enrolled in high school or an equivalency program to qualify for this exemption. A parent or pregnant girl who does not so qualify shall participate in JOBS.

- D. A parent or eligible caretaker relative of a child aged 1 to 6 who is personally providing care for that child is not required to participate in JOBS for more than 20 hours per week:
1. The parent or caretaker may volunteer to participate additional hours.
 2. This limitation does not apply to a parent who is less than 20 years old.
- E. A person who is suffering from a temporary illness, or who is the only person available to care for a household member suffering from a temporary illness, may be temporarily exempt from participation. The FAA local office shall verify such illness and shall reevaluate such exemptions at least every 30 days.
- F. Except as provided in subsection (E), all medical conditions shall be verified by a licensed physician. All psychological conditions shall be verified by a licensed physician or certified psychologist.
- G. Exempt status shall terminate when the condition giving rise to the exemption terminates.
- H. A person may establish good cause for a failure or refusal to participate in JOBS as provided in R6-10-119 and R6-10-120. The JOBS Administration shall determine if good cause exists.
- D. I. If a person fails or refuses to participate in JOBS without good cause, the Department shall impose the penalties specified in R6-12-316:
1. Appoint a protective payee pursuant to R6-12-806; and
 2. Exclude the parent or NPCR from the assistance grant for the following periods:
 - a. For the 1st such failure, until the person agrees to comply, or 1 month, whichever is longer, except if the person is a member of the control group as prescribed in R6-12-105, until the person agrees to comply;
 - b. For the 2nd such failure, until the person agrees to comply, or 3 months, whichever is longer; and
 - c. For any subsequent failure, until the person agrees to comply, or 6 months, whichever is longer.

R6-12-314 R6-12-307. 18-year-olds; School Attendance

- A. As used in R6-12-306(A)(2), full-time school attendance means:
1. For high school, attendance which the school defines as full time;
 2. For a trade or technical school involving shop practice, 30 hours per week; and
 3. For a trade or technical school involving no shop practice, 25 hours per week.
- B. The Department shall verify school attendance through school records establishing full-time status and, for 18-year olds, expected date of graduation.
- C. The Department shall require each parent or NPCR to verify either full-time school attendance by the child or full-time home schooling of the child when the parent or NPCR applies for or receives CA on behalf of a dependent child.
- D. Acceptable verification shall include:
1. The parent or NPCR's written statement.
 2. A statement from the school or
 3. A statement from the County Department of Education.
- E. If a parent or NPCR fails to verify compliance with the school attendance requirements in this subsection, the Department shall impose the penalties specified in R6-12-316.

R6-12-315. Immunization

- A. The Department shall require each parent or NPCR to verify that the child is immunized, when the parent or NPCR applies for or receives CA on behalf of a dependent child.
- B. The Department shall require this verification at the initial interview and at each review. Acceptable verification shall include:
1. The parent or NPCR's written statement; or
 2. A written statement from a physician, hospital, or clinic.
- C. When the parent or NPCR is unable to verify the child's immunizations at the initial interview, the Department shall inform the parent or NPCR that verification of the child's immunization will be required at the next review.
- D. When a parent or NPCR is unable to verify the child's immunization at the review, the Department shall impose the progressive sanction penalties as specified in R6-12-316.

R6-12-316. Sanctions for Noncompliance

- A. The Department shall notify the assistance unit of benefit reduction or case closure when:
1. Benefits will be reduced or the case closed because of noncompliance with the requirements of R6-12-311, R6-12-312, R6-12-313(C), and R6-12-314; and
 2. The assistance unit's benefits are not currently reduced because of sanctions.
- B. The notice shall include the following information:
1. A brief statement of the progressive sanction policy as follows:
 - a. For the 1st sanction, the Department will reduce cash benefits by 25% for at least 1 month;
 - b. Unless all members are in compliance by the end of the sanction month, the Department will impose another sanction.
 - c. For the 2nd sanction, the Department will reduce cash benefits by 50% for at least 1 month.
 - d. For the 3rd and subsequent sanctions, the Department will close the case and it must remain closed for at least 1 month;
 2. The month the sanction will be effective; and
 3. The name and telephone number of the person to contact for information on what the noncompliant member must do to comply.
- C. The Department shall impose the sanction effective for the 1st possible benefit month, allowing for 10-day notice of adverse action.
- D. The Department shall not impose the above penalties on TPEP assistance units but shall follow the steps below:
1. The Department shall notify the TPEP assistance unit of benefit withholding or case closure when:
 - a. Benefits will be withheld or the case closed because of noncompliance with the requirements of R6-12-311, R6-12-312, R6-12-313(C), and R6-12-314; and
 - b. The assistance unit's benefits are not currently being withheld.
 2. The Department shall notify the Assistance unit that:
 - a. The TPEP benefit checks will be withheld until the noncompliant person has completed a new work cycle in compliance;
 - b. The name and telephone number of the person to contact for information on how to comply;
 - c. That when 3 checks have been withheld in any 6-month period, the Department will close the TPEP case.
- E. For sanctioned assistance units in the Control Group only, the Department shall:
1. Restore cash benefits to 100% when:

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- a. The assistance unit verifies compliance with JOBS or DCSE prior to the effective date of the sanction, and
- b. The assistance unit currently has no prior sanction months.
2. Impose the next sanction received by the assistance unit at the 2nd (50%) level.

R6-12-317. Voluntary Quit/Reduction in Work Effort

A. The Department shall disqualify the member or the household as described in R6-12-317(B) and (C) when a member of an assistance unit, within 60 days prior to the date of the application or any time thereafter, voluntarily and without good cause:

1. Terminates employment from a job in which the individual was:
 - a. Employed at least 20 hours a week,
 - b. Earning weekly income equal to the then current minimum wage multiplied by 20;
2. Reduces the number of hours worked each week from 30 or more to less than 30; or
3. Participates in a strike against the government, when the member is an employee of the local, state, or federal government.

B. When the member is the PI of the assistance unit, the Department shall close the case. The assistance unit of which the member remains the PI is ineligible for CA benefits for the minimum period specified in R6-12-317(D) or until the assistance unit reapplies, whichever is longer.

C. When the member is not the PI of the assistance unit, the Department in determining eligibility and benefit level for the assistance unit for the minimum period specified in R6-12-317(D) or until the assistance unit reapplies, whichever is longer, shall:

1. Exclude the needs of the member; and
2. Include the otherwise countable income, resources, and expenses of the member.

D. The minimum disqualification periods are:

1. For the 1st offense, 1 month;
2. For the 2nd offense, 3 months; and
3. For the 3rd and subsequent offenses, 6 months.

E. The Voluntary Quit/Reduction in Work Effort disqualification provisions shall apply to all members of the assistance unit who are not exempt from JOBS participation, as provided in R6-12-313. A member who is exempt from participation in JOBS because of employment is not exempt from the Voluntary Quit/Reduction of Work Effort provisions due to JOBS employment.

F. Good cause for voluntarily quitting a job or reducing the number of hours worked includes:

1. Circumstances beyond the member's control, such as illness of another assistance unit member requiring the presence of the member, unavailability of transportation, unanticipated emergency, unsuitability of work, or the lack of adequate child care for individuals responsible for the care of children under 12 years old;
2. The member's inability to write or speak English;
3. Discrimination by an employer based on age, race, sex, color, handicap, religious beliefs, national origin, or political beliefs;
4. Work demands or conditions that render continued employment unreasonable, such as working without being paid on schedule;
5. Resignation by a member under age 60 who is recognized by the employer as retired;

6. Employment which becomes unsuitable by not meeting the suitability of work criteria listed in subsection (F)(9) after the acceptance of employment;
7. Acceptance of new employment of comparable hours and salary to the job which was quit, which, through no fault of the member, subsequently:
 - a. Does not materialize,
 - b. Results in a lay off,
 - c. Results in employment of less than 20 hours a week, or
 - d. Results in weekly earnings of less than the federal minimum wage multiplied by 20 hours.
8. Leaving a job in connection with patterns of employment in which workers frequently move from 1 employer to another such as migrant farm labor or construction work;
9. Employment that is unsuitable. Employment is unsuitable when the following conditions apply:
 - a. The wage offered is less than the higher of:
 - i. The federal minimum wage or the training wage, when applicable, if the employment is covered by federal regulations; or
 - ii. Eighty percent of the federal minimum wage when the employment is not covered by federal regulations;
 - b. The employment offered is on a piece-rate basis, and the average hourly yield which the employee can reasonably be expected to earn is less than the applicable hourly wage as specified above;
 - c. As a condition of employment, the employee is required to join, resign from, or refrain from joining any legitimate labor organization;
 - d. The work offered is at a site subject to strike or lock-out, unless the strike has been enjoined under the Taft-Hartley Act (Section 208 of the Labor Management Relations Act, (29 U.S.C. 178) or an injunction issued under Section 10 of the Railway Labor Act (45 U.S.C. 160). A striker who belongs to a union may not refuse work solely because the job offered is a nonunion job;
10. An employment opportunity is unsuitable when an individual can demonstrate, or the Department finds that:
 - a. The degree of risk to the individual's health and safety is unreasonable;
 - b. The individual is physically or mentally incapable of performing the assigned tasks of employment as documented by medical evidence or reliable information obtained from other sources;
 - c. The distance of employment from the member's place of residence is unreasonable, with respect to the expected wage and the time and cost of commuting;
 - i. Employment is unsuitable if the commuting time exceeds 2 hours per day, exclusive of time required to transport a child to and from a child care facility,
 - ii. Employment is unsuitable when the distance prohibits walking, and neither public nor private transportation is available.
 - d. The working hours or type of employment interferes with the individual's religious observances, convictions, or beliefs.

R6-12-318 R6-12-315. Duration of Assistance

- A.** A person may receive CA AFDC benefits for no more than 24 months within any consecutive 60-month period, except that the 24-month limit shall not apply to a person who:
1. No change.

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2. No change.
3. No change.
4. No change.
5. Is determined by JOBS Administration to be exempt because the person:
 - a. Works in a JOBSTART-subsidized placement pursuant to Article 13.
 - b. Is a victim of Domestic Violence.
5. Works in a JOBSTART-subsidized placement pursuant to Article 13.
- B. No change.
- C. No change.
- D. No change.
- E. No change.
- F. No change.
- G. An assistance unit which includes a person who is ineligible for CA AFDC due to the 24-month limit provisions of this Section may earn up to the incremental benefit amount otherwise payable for the ineligible person without any adverse affect on eligibility or benefit level. The Department shall disregard such income.
 1. No change.
 2. No change.
- H. No change.
- I. A person who is ineligible for CA AFDC due to the 24-month limit may receive the following services, if otherwise eligible:
 1. No change.
 2. No change.
 3. No change.
 4. Any other program or service for which a CA an AFDC recipient categorically qualifies.
- J. No change.

R6-12-319 R6-12-316. Extension of the 24-month Limit

- A. A recipient may request an extension of the 24-month limit by filing a written request with the Department within 10 calendar days from the date of the notice prescribed in R6-12-318(I) R6-12-315(J). The request shall include the reason for an extension. The Department shall consider the mailing date of the request to apply for an extension as the filing date.
 1. No change.
 2. No change.
- B. No change.
- C. To qualify for an extension, the recipient shall establish that he or she has followed a course of action throughout the period of CA AFDC eligibility which is reasonably designed to result in employment and which demonstrates a willingness to work. The Department shall determine good faith from the recipient's entire course of action and may consider the following actions as evidence of a good faith effort to secure employment:
 1. No change.
 2. No change.
 3. No change.
 4. No change.
 5. No change.
 6. No change.
 7. No change.
 8. No change.
 9. No change.
 10. No change.
- D. No change.
- E. No change.
 1. Make at least 3 contacts, as prescribed in subsection (C) above, each month throughout the period of CA AFDC eligibility; and
 2. No change.
- F. No change.

- G. No change.
- H. No change.
 1. No change.
 2. Refuses, without demonstrating good cause, to accept a bona fide offer of employment which would provide income at least equivalent to the portion of the CA AFDC grant for which the person is no longer eligible;
 3. Cannot demonstrate or refuses to produce a good cause reason for not accepting an offer of employment that the Department is aware has been made and which would provide income at least equivalent to the portion of the CA AFDC grant for which the person is no longer eligible;
 4. No change.
 5. No change.
 6. No change.
 7. No change.
- I. No change.
- J. The Department shall grant an extension of eligibility for 6 months at a time, if the assistance unit continues to meet all CA AFDC eligibility requirements.

R6-12-320 R6-12-317. Extension of 24-month Limit to Complete Education or Training

- A. No change.
- B. No change.
- C. No change.
 1. No change.
 2. No change.
 3. No change.
 4. No change.
 5. The assistance unit shall continue to meet all other CA AFDC eligibility requirements.

ARTICLE 4. FINANCIAL ELIGIBILITY; RESOURCES

R6-12-401. Treatment of Resources; Limitations

- A. No change.
- B. An assistance unit is ineligible for CA AFDC for any month in which the unit's resources exceed \$2,000 \$1,000, after application of all available exclusions.

R6-12-402. Treatment of Resources by Ownership Status; Availability

- A. No change.
 1. No change.
 2. A mandatory member of the assistance unit who is ineligible for CA AFDC for failure to comply with an eligibility requirement;
 3. No change.
 4. No change.
 5. The sponsor of an noncitizen alien, as provided in R6-12-603.
- B. No change.
 1. No change.
 2. No change.
 3. No change.
 4. An ineligible noncitizen alien sibling of a dependent child in the assistance unit;
 5. An ineligible noncitizen alien parent;
 6. No change.
- C. No change.
- D. No change.

R6-12-404. Individual Development Accounts

- A. An individual development account (IDA) is a special savings account which allows a recipient of both CA AFDC and Food

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Stamp Program benefits to accumulate funds to achieve educational or training goals.

- B. No change.
- C. A member of an assistance unit that receives both CA AFDC and food stamp benefits may establish an IDA.
 - 1. No change.
 - 2. A person found to have committed an intentional program violation or fraud related to the CA AFDC, food stamp, or AHCCCS programs shall not hold an IDA.
- D. No change.
- E. No change.
- F. An applicant for assistance shall not place countable income or resources into an IDA for the purpose of qualifying for CA AFDC or Food Stamp Program benefits. Any money so deposited counts as a resource.
- G. No change.
- H. No change.
- I. No change.
- J. A recipient of both CA AFDC and food stamp benefits may withdraw funds from an IDA for:
 - 1. No change.
 - 2. No change.
- K. No change.
- L. No change.
- M. If there is a break in CA AFDC or food stamp benefits of at least 1 full month, upon reapplication the Department shall consider any remaining monies in an IDA as countable resources and shall not disregard any future deposits into an IDA.
- N. No change.
- O. No change.

R6-12-405. Resource Transfers; Limitations

- A. An applicant or recipient shall not transfer a resource with the intent to qualify or attempt to qualify for CA AFDC within 1 year prior to application or while receiving assistance, unless fair consideration was received.
- B. Except as otherwise provided in this Section, when a applicant or recipient does not receive fair consideration for a transferred resource (an improper transfer), the assistance unit shall be ineligible for CA AFDC.
 - 1. No change.
 - 2. No change.
- C. No change.
- D. No change.
- E. No change.

ARTICLE 5. FINANCIAL ELIGIBILITY; INCOME

R6-12-502. Income Available to the Assistance Unit

- A. No change.
 - 1. No change.
 - 2. A mandatory member of the assistance unit who is ineligible for CA AFDC for failure to comply with an eligibility requirement,
 - 3. No change.
 - 4. No change.
 - 5. No change.
- B. No change.
 - 1. The sponsor of an noncitizen alien.
 - 2. A dependent child's parent who is an noncitizen alien admitted to the United States pursuant to 8 U.S.C. 1255(a) or 1160, as amended through October 25, 1994, which is incorporated by reference and on file with the Office of the Secretary of State and not including any later amendments or editions, unless such parent is eligi-

ble for inclusion in the assistance unit pursuant to R6-12-305(A).

- 3. No change.
- 4. No change.

R6-12-503. Income Exclusions

No change.

- 1. No change.
- 2. No change.
- 3. No change.
- 4. No change.
- 5. Cash contributions from other agencies or organizations so long as the contributions are not intended to cover items which CA AFDC is intended to cover, specifically:
 - a. Food;
 - b. Shelter, including only rent or mortgage payments;
 - c. Utilities;
 - d. Household supplies, including bedding, towels, laundry, cleaning, and paper supplies;
 - e. Public transportation fares for personal use;
 - f. Basic clothing or diapers; or
 - g. Personal care and hygiene items, such as soap, toothpaste, shaving cream, and deodorant;
- 6. No change.
- 7. No change.
- 8. No change.
- 9. No change.
- 10. No change.
- 11. No change.
- 12. No change.
- 13. No change.
- 14. No change.
- 15. No change.
- 16. No change.
- 17. No change.
- 18. No change.
- 19. No change.
- 20. No change.
- 21. Earned income of dependent children who are students enrolled and attending school at least halftime as defined by the institution;
- 22. Income received from Americorp Network Program pursuant to subsection (5);
- 23. Any other income specifically excluded by applicable state or federal law.

R6-12-504. Special Income Provisions: Child Support, Alimony, or Spousal Maintenance

- A. The Department shall count child support, alimony, or spousal maintenance, received by a member of the assistance unit before the eligibility determination date, ~~in excess of \$50 per month,~~ as income in the month received.
- B. After the eligibility determination date, and if the application is approved, the Department shall count current child support, alimony, or spousal maintenance received by the Department's Division of Child Support Enforcement (DCSE), on behalf of an assistance unit member, ~~in excess of \$50 per month,~~ as income in the month received for the purpose of determining continued eligibility.
 - 1. No change.
 - 2. No change.
- C. No change.

R6-12-505. Special Income Provisions: Nonrecurring Lump Sum Income

- A. When an assistance unit receives a nonrecurring ~~income in a~~ lump sum payment, the Department shall consider the lump

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sum payment as a resource in accordance with Article 4, determine eligibility and benefit amount as described below.

1. The Department shall take the lump sum income and apply any applicable disregards pursuant to R6-12-703.
 2. If the remaining amount of the lump sum exceeds the need standard for an assistance unit of that size, the unit shall be ineligible for benefits for a period of months.
 3. The Department shall compute the period of ineligibility by:
 - a. Adding the amount from subsection (A)(2) to the assistance unit's other income for each corresponding budget month; and
 - b. Dividing the amount from subsection (A)(3)(a) by the need standard applicable to the assistance unit.
 4. The resulting number shall be the number of months the assistance unit is ineligible. Any remaining amount (that cannot be evenly divided) shall be treated as unearned income in the 1st month following the period of ineligibility.
 5. The ineligibility period shall begin in the month in which the assistance unit received the lump sum income.
- B.** The Department shall recalculate the period of ineligibility as provided in subsection (C) below, when:
1. The need standard changes for all assistance units; or
 2. The lump sum income becomes unavailable to the assistance unit for reasons beyond the control of the unit members; such reasons include, but are not limited to:
 - a. Involuntary removal of the lump sum income;
 - b. During the period of ineligibility, an assistance unit member incurs and pays for medical services provided or authorized by a licensed or certified health care practitioner or organization, which services are not covered by insurance or other 3rd-party benefits.
- C.** To recalculate the ineligibility period as provided in subsection (B), the Department shall subtract the unavailable portion of the income from the remaining portion and then divide the remainder by the need standard applicable to the assistance unit.

R6-12-507. Methods to Determine Projected Monthly Income

- A. No change.
- B. No change.
- C. No change.
 1. No change.
 2. The Department shall prorate income for an assistance unit which receives income which is intended to cover a fixed period of time. When a person receives income pursuant to a fixed-term employment contract:
 - a. Income shall be counted in the month received, if received monthly or more often, throughout all months of the contract;
 - b. Income shall be prorated over the number of months in the contract if payment is received before or during the time work is performed, but not as specified in subsection (C)(2)(a)(i) above;
 - c. Income shall be prorated over the number of months in the contract if payment is received upon completion of the work;
 - d. For CA AFDC cases which fall within subsection (C)(2)(a)(iii) above, applicable earned income disregards shall apply as if the prorated amounts were received in each month of the contract. The resulting amounts for each month shall then be totaled and counted in the month received as a lump sum pursuant to R6-12-504(C).
- D. No change.

ARTICLE 6. SPECIAL CA AFDC CIRCUMSTANCES

R6-12-601. Pregnant Women

- A. Upon compliance with all other eligibility criteria and procedures, a pregnant woman with no other dependent children may be eligible for CA AFDC, as though the child was already born.
- B. No change.
- C. No change.
- D. No change.
- E. No change.

R6-12-602. Caretaker Relative of SSI or Foster Care Child

- A. A parent or NPCR with only an SSI recipient child, or a child who is receiving federal, state, or local foster care maintenance payments, may be eligible for CA AFDC upon meeting the eligibility criteria specified in this Chapter, except as otherwise provided in this Section.
- B. The Department shall consider the SSI recipient child, or foster care recipient child, as an assistance unit member for purposes of qualifying the unit for CA AFDC based on need.
- C. If the assistance unit qualifies for CA AFDC pursuant to subsection (B), the Department shall not count the needs, resources, and income of the SSI recipient child, or foster care recipient child, when determining the benefit amount.
- D. No change.

R6-12-603. Sponsored Noncitizen Aliens

- A. A noncitizen An alien who is sponsored by a public or private agency or organization shall not qualify for CA AFDC for 3 years following the date of the noncitizen's alien's entry for permanent residence into the United States unless:
 1. The agency or organization ceases to exist during the 3 years, or
 2. The noncitizen's alien's 3-year sponsorship agreement with the agency or organization has expired.
- B. A noncitizen an alien sponsored by an individual who seeks benefits shall obtain the cooperation of the sponsor as necessary to satisfy the eligibility criteria described in this Chapter.
- C. The Department shall count the full deem income and resources of a noncitizen an alien sponsor as available to the sponsored noncitizen alien for 3 years from the date of the noncitizen's alien's entry into the United States for permanent residence, according to the provisions of this Section.
- D. Subject to the provisions of Article 4 concerning treatment of resources, the Department shall count deem the total equity value of resources belonging to the sponsor and the sponsor's spouse, less \$1,500, as available to the sponsored noncitizen alien.
- E. The Department shall count the full deem income of the noncitizen alien sponsor and the sponsor's spouse as available to the noncitizen alien pursuant to the formula described in this subsection. The Department shall:
 1. Determine the total earned income which is normally countable for CA AFDC;
 2. Disregard the lesser of 20% of the total from subsection (E)(1), or \$175;
 3. Determine and add in the total unearned income which is normally countable for CA AFDC;
 4. Subtract the following disregards:
 - a. An amount equal to the need standard for the sponsor and persons in the sponsor's family who could be claimed as tax dependents for federal income tax purposes; and
 - b. Actual payments for spousal maintenance, child support, or support of dependents who reside outside

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- the home but who can be claimed as dependents for federal income tax purposes; and
5. Count the resulting figure as unearned income available to the noncitizen alien.
- F. When a person sponsors 2 or more noncitizens aliens, the Department shall prorate income and expenses deemed available among the sponsored noncitizens aliens.
- G. When an assistance unit includes both a sponsored noncitizen alien and other members, and the ~~deeming~~ provisions of this Section would render the assistance unit ineligible, the Department shall determine eligibility of the other members without considering the sponsored noncitizen alien or the sponsor's income or resources.
- H. The sponsored noncitizen alien and the sponsor are jointly liable for any overpayment resulting from the sponsor's provision of incorrect or incomplete information, unless the sponsor had good cause, so as to make the noncitizen alien solely liable. Good cause includes:
1. The Department failed to inform the noncitizen alien or the sponsor that the information was necessary; or
 2. No change.

R6-12-604. Strikers

The Department shall determine CA eligibility during a strike period for a A parent on strike, the parent's spouse, and the dependent children of the parent on strike using the striker's prestrike monthly income. ~~are ineligible for the month in which the parent is participating in a strike on the last day of the month.~~

R6-12-605. Dependents with Ineligible IRCA Parents

The income of an ineligible noncitizen alien parent who is an noncitizen alien admitted to the United States pursuant to 8 U.S.C. 1255a or 1160, as amended through October 25, 1994, which is incorporated by reference and on file with the Office of the Secretary of State and not including any later amendments or editions, unless such parent is eligible for assistance pursuant to R6-12-305(A), is deemed available to meet the needs of the noncitizen alien parent's dependent child after application of the following disregards:

1. The 1st \$90 of the noncitizen alien parent's gross earned income;
2. An amount equal to the CA AFDC need standard for the number of persons whom the noncitizen alien parent could claim as dependents, including the noncitizen alien parent, but excluding:
 - a. Persons receiving CA AFDC, and
 - b. Persons who would be receiving CA AFDC but for a sanction due to failure to cooperate;
3. No change.
4. Actual payments of spousal maintenance or child support to persons not living in the noncitizen alien parent's home.

R6-12-606. Dependents of Foster Children

- A. The dependent child of an ineligible foster child may be eligible for CA AFDC.
- B. No change.

R6-12-607. Stepparents

The income of a stepparent who does not receive CA AFDC or SSI is deemed available to meet the needs of a dependent child who resides with the stepparent, after application of the following disregards:

1. No change.
2. An amount equal to the CA AFDC need standard for the number of persons whom the stepparent could claim as dependents, including the stepparent, but excluding:
 - a. Persons receiving CA AFDC, and

- b. Persons who would be receiving CA AFDC but for a disqualification due to IPV, fraud, or Voluntary Quit/Reduction in Work Effort sanction due to failure to cooperate;
3. No change.
4. No change.

R6-12-608. Minor Parents

- A. No change.
- B. An assistance unit headed by a minor parent is not eligible for CA AFDC, except as provided in subsection (C) below.
- C. No change.
 1. No change.
 2. The minor parent is legally emancipated.
 - a. A minor parent is emancipated if the minor parent's parent, adult specified relative as defined in R6-12-309(A), or legal guardian has relinquished all control and authority over the minor parent, and no longer provides financial support to the minor parent.
 - b. A minor parent shall qualify as an emancipated person if the minor parent:
 - i. Has lived apart from the parent, adult specified relative, or legal guardian for at least 1 year before the application for CA AFDC;
 - ii. Has demonstrated financial independence from the parent, adult specified relative, or legal guardian for at least 1 year before the application for CA AFDC; and
 - iii. Has not received CA AFDC benefits for each of the 12 consecutive months immediately preceding the month the minor parent applies for CA AFDC.
 - c. The minor parent shall provide evidence to establish emancipation. Acceptable verification may include:
 - i. Rent receipts or other living arrangement statements which establish independent living apart from the parent, adult specified relative, or legal guardian;
 - ii. Income statements or income tax records which establish financial independence from the parent, adult specified relative, or legal guardian; or
 - iii. Written statements from a parent, relative, or guardian which establish the independent status of the minor parent.
 3. The physical or emotional health or safety of the minor parent, or the minor parent's child, would be at risk if the minor parent and the minor parent's child resided in the home of the minor parent's parent, legal custodian who is related to the minor parent to the degree specified in R6-12-309(A), or legal guardian.
 - a. The minor parent shall file a written statement of abuse or neglect with the Department.
 - i. Abuse means any behavior defined at A.R.S. § 8-546(A)(2).
 - ii. Neglect means any behavior defined at A.R.S. § 8-546(A)(6).
 - b. The written statement shall include the following information regarding the allegations of abuse or neglect:
 - i. The name of the victim;
 - ii. The name of the perpetrator;
 - iii. The dates of the alleged abuse or neglect;
 - iv. The nature of the alleged abuse or neglect; and
 - v. Whether or not other children living in the home are subject to the abuse or neglect.

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- c. The FAA shall report all allegations of abuse or neglect to Child Protective Services.
 - d. The FAA shall accept the minor parent's written statement of abuse or neglect as sufficient evidence that the health or safety of the minor parent, or minor parent's child, would be at risk pending the outcome of a Child Protective Services assessment, unless evidence to the contrary exists.
 - e. If Child Protective Services determines the allegation of abuse or neglect is valid, the minor parent and the minor parent's child may receive CA AFDC if otherwise eligible under this Chapter.
 - f. If Child Protective Services is unable to confirm or refute the allegation of abuse or neglect, the minor parent shall remain eligible based on the minor parent's written statement.
 - g. If Child Protective Services determines the allegation of abuse or neglect is invalid:
 - i. The Department shall inform the minor parent of the determination and allow the minor parent 60 days to return to the home of the parent, custodian, or legal guardian;
 - ii. The Department shall terminate CA AFDC effective the 1st month following expiration of the 60-day period; and
 - iii. No overpayment shall result for assistance paid based on the minor parent's written statement of alleged abuse or neglect.
4. The minor parent lives with the minor parent's parent, adult specified relative as defined in R6-12-309(A), or legal guardian who either:
- a. Is determined needy according to the income calculation procedures set forth at subsection (D) below; or
 - b. Has CA AFDC eligible children. If so, the Department shall combine all eligible children into 1 assistance unit. The parent, adult specified relative, or legal guardian shall serve as the payee.
- D. No change.**
- 1. The Department shall count all income received by the minor parent's parent, adult relative, or legal guardian, except for CA AFDC, SSI, and other sources of income excluded under R6-12-503, and shall apply the following disregards, if appropriate:
 - a. The 1st \$90 of the gross earned income of each employed parent, adult relative, or legal guardian;
 - b. An amount equal to the CA AFDC need standard for the number of persons living in the home who could be claimed as dependents for federal income tax purposes, including the minor parent's parent, adult relative, or legal guardian, but excluding:
 - i. The minor parent and the minor parent's child, and
 - ii. Persons who would be receiving CA AFDC but for a sanction due to failure to cooperate,
 - c. Actual amounts paid by the minor parent's parent, adult relative, or legal guardian to persons not living in the home who could be claimed as dependents for federal income tax purposes; and
 - d. Actual payments of spousal maintenance or child support to persons not living in the home of the minor parent's parent, adult relative, or legal guardian.
 - 2. The amount remaining is subtracted from the CA AFDC payment standard for an assistance unit comprised of the minor parent and the minor parent's child. If the resulting figure is at least 1¢, the minor parent may receive assistance.
 - a. If the minor parent lives with a parent, the Department shall count the income available to the assistance unit when determining the benefit level.
 - b. If the minor parent lives with a non-parent caretaker relative or legal guardian, the Department shall not count the income available to the assistance unit when determining the benefit level.
- E. A minor parent, and the minor parent's child, who are ineligible for CA AFDC solely due to the provisions of this Section, may receive the following services, if otherwise eligible:**
- 1. No change.
 - 2. No change.
 - 3. Child Care Title IV-A child care; and
 - 4. Any other program or service for which CA AFDC recipients categorically qualify.
- F. No change.**
- G. No change.**
- R6-12-609. Unemployed Parents in a 2-parent Household (TPEP)**
- A.** An assistance unit with a needy child deprived of parental support because the primary wage-earning parent (PWE) is unemployed shall receive CA AFDC through the 2-Parent Employment Program (TPEP) if the assistance unit meets the eligibility criteria listed in R6-12-609, R6-12-610, R6-12-611, and all other applicable CA AFDC eligibility criteria.
- B. No change.**
- C. No change.**
- D. No change.**
- E. No change.**
- F. No change.**
- R6-12-610. TPEP: Education and Employment Requirements; Good Cause for Nonparticipation**
- No change.
- 1. Such parent is exempt because the parent:
 - 1. Is under 18 and is:
 - a. 13-15 years old, pregnant or an unwed custodial parent, lacking a high school diploma/GED, and attending full time a secondary, vocational, or technical school or high school equivalency course; or
 - b. 16 or 17 (or 18 when reasonably expected to complete school before reaching 19), the custodial parent of a minor child, and attending full time a secondary, vocational, or technical school or a high school equivalency course;
 - a. Is 60 years of age or older;
 - 2. Is an enrolled tribal member residing within the tribe's specified Tribal IOBS geographic area;
 - b. Is at least 3 months pregnant and expects to deliver her child in the month in which participation would be required, or within the following 6 months;
 - 3. Is working an average of 30 hours or more per week in unsubsidized employment which pays at least minimum wage and shall last at least 30 days;
 - c. Is incapacitated for a period of more than 3 days and which is not expected to last for more than 30 days;
 - d. Resides so remotely from the work program provider that a round trip (exclusive of time for transporting children to and from child care) would exceed 2 hours by reasonably available public transportation, usable private conveyance, or, if other transportation is unavailable, by walking;
 - e. Has a bona fide offer of full-time employment to begin within 30 days;

- f. ~~Is personally providing care for a child under age 1, or for an incapacitated family member; however, only 1 of the 2 parents in the assistance unit may be exempt for this reason; or~~
- g. ~~Is personally providing care for a child age 1 through 5; however, only 1 of the 2 parents in the assistance unit may be exempt for this reason, and the exemption shall not cover the 1st 20 hours of participation; or~~
- 2. ~~Such parent has a good cause reason for nonparticipation pursuant to R6-10-119,~~

R6-12-611. TPEP: Duration

No assistance unit may receive TPEP benefits for longer than 6 months in a 12-month period, ~~except that a TPEP unit may be granted a 3-month extension when the IOBS administration requests the extension based on a IOBS determination that there is good cause for the extension. The good cause reasons for IOBS to request an extension are:~~

- 1. ~~A parent is enrolled in a vocational educational training program which was approved by IOBS and which can be completed within the 3-month extension period;~~
- 2. ~~A parent has a bona fide offer of employment that is to begin within the 3-month extension period;~~
- 3. ~~One parent did not participate in IOBS for 1 or more months during the 6-month period and the IOBS Administration has determined good cause existed as prescribed in R6-10-122; or~~
- 4. ~~A parent is in an unpaid work experience activity and IOBS expects the parent to be hired within the 3-month extension period.~~

R6-12-612. Transitional Child Care

- A. No change.
 - 1. No change.
 - 2. No change.
 - 3. Ineligibility due to the provisions of R6-12-308, ~~R6-12-318 R6-12-315, or R6-12-608.~~
- B. No change.
 - 1. Become ineligible for ~~CA AFDC~~ because of:
 - a. Increased hours of employment, or
 - b. Increased earnings from employment, or
 - c. ~~Expiration of the \$30 plus 1/3 or \$30 earned income disregards described in R6-12-703;~~
 - 2. Have received ~~CA AFDC or TPEP~~ in at least 3 of the 6 months immediately preceding the 1st month of ~~CA AFDC~~ ineligibility;
 - 3. No change.
 - 4. No change.
 - 5. No change.
 - 6. No change.
 - 7. No change.
- C. No change.

R6-12-613. Transitional Child Care: Eligible Children

- A. No change.
- B. No change.
 - 1. No change.
 - 2. Such child would otherwise have been included in the ~~CA AFDC or TPEP~~ assistance unit at the time such benefits terminated.
- C. No change.

R6-12-614. Transitional Child Care: Duration

- A. ~~Except as provided in subsection (B), the assistance unit may receive transitional child care benefits during the 24 consecutive months immediately following the last month for which the assistance unit received AFDC or TPEP.~~

- 1. Benefits may begin in any month during the 24-month period.
- 2. If the assistance unit reestablishes eligibility for ~~AFDC or TPEP~~ during the initial 24-month period, and subsequently loses this eligibility, the assistance unit:
 - a. May qualify for a new 24-month child care eligibility period if it satisfies all eligibility criteria;
 - b. May qualify for child care for any months remaining in the initial 24-month period if it does not satisfy all eligibility criteria.
- B. An assistance unit that is assigned to the control group as prescribed in R6-12-105 may receive transitional child care for no more than 12 consecutive months immediately following the last month for which the assistance unit received ~~CA AFDC or TPEP.~~

R6-12-617. Guaranteed Child Care: Eligible Children

Guaranteed child care benefits are available for a dependent child in the assistance unit, including a child who is ineligible for ~~CA AFDC~~ due to the provisions of R6-12-308, ~~R6-12-318 R6-12-315, or R6-12-608, who is:~~

- 1. No change.
- 2. No change.
- 3. No change.
- 4. No change.
- 5. No change.

ARTICLE 7. DETERMINING ELIGIBILITY AND BENEFIT PAYMENT AMOUNT

R6-12-701. Need Standard

- A. The ~~CA AFDC~~ need standard is 100% of the 1992 federal poverty level, adjusted for a shelter cost factor as prescribed in subsections (B) and (C), and the number of persons in the assistance unit.
- B. No change.
- C. No change.

R6-12-702. Determining Eligibility

- A. No change.
- B. An assistance unit is eligible for ~~CA AFDC~~ when the Department finds that the unit:
 - 1. No change.
 - 2. No change.
 - 3. No change.
 - a. ~~The unit is not rendered ineligible under R6-12-505 by a lump sum income distribution;~~
 - a. b. The unit's gross income, after application of the income disregards described in subsection (C) does not equal or exceed 185% of the applicable need standard (the 185% test); and
 - b. c. The unit's gross income, less applicable disregards as described R6-12-703, is at least 1¢ less than the applicable need standard.
- C. No change.
 - 1. ~~All earned income of full-time students, for up to 6 months per calendar year;~~
 - 1. 2. All income derived from participation in the Job Training Partnership Act (JTPA), for up to 6 months per calendar year; and
 - 2. 3. All unearned income derived from participation in JTPA.

R6-12-703. Earned Income Disregards

- No change.
 - 1. Income of dependent children, as described below:
 - a. ~~All earned income of full-time students;~~
 - b. ~~All earned income of part-time students who also work part time;~~

- a. c. All earned income derived from JTPA participation, for up to 6 months per calendar year;
- b. d. All unearned income derived from JTPA participation; and
- c. e. All income derived from the Summer Youth Employment and Training Program (SYETP);
- 2. No change.
- 3. For each wage earning member of the unit, 30% \$30, plus 1/3 of any earned income not already disregarded, but only for a period of 4 consecutive months; provided however, that after this disregard has been applied for 4 consecutive months, the Department shall not apply it again until the wage earner has not been a recipient of AFDC for 12 consecutive months; and
- 4. For each wage earning member of the unit, \$30 for each of the 8 calendar months immediately following the 4-month period described in subsection (3).
- 4. 5. At the initial interview and at each review, the Department shall require each wage earner to verify billed expenses. An amount for the care of each dependent child or incapacitated adult member of the unit who is receiving CA. Acceptable verification shall include: AFDC, determined as follows:
 - a. A written statement from the individual or business providing the care for the amount billed; If the wage earner works full time, the actual cost of care, up to \$175, or, if the child requiring care is less than age 2, up to \$200; or
 - b. Collateral contact, when documents are not available; If the wage earner works part-time, the actual cost of care, up to \$88, or, if the child requiring care is less than age 2, up to \$100;
- 5. 6. For an assistance unit with an adult who is ineligible pursuant to R6-12-318 R6-12-315, an amount equal to the difference between the benefit amount with the needs of the ineligible adult included in the computation and the benefit amount with the needs of the ineligible adult excluded from the computation;
- 6. 7. For an assistance unit with a child who is excluded from the assistance unit pursuant to R6-12-308, an amount equal to the difference between the benefit amount with the needs of the ineligible child included in the computation and the benefit amount with the needs of the ineligible child excluded from the computation.

R6-12-705. Determining Benefit Payment Amount; Prorating

- A. No change.
- B. If the benefit amount is less than \$10, the Department shall not pay benefits; the assistance unit remains eligible for CA AFDC for all other purposes.
- C. No change.

ARTICLE 8. PAYMENTS

R6-12-806. Protective Payee

- A. No change.
 - 1. No change.
 - 2. On behalf of all unit members other than the designated recipient when the:
 - a. The recipient is disqualified for IPV or fraud fails, without good cause, to cooperate in obtaining support as required by R6-12-311(C); or
 - b. The recipient, without good cause, fails to participate in JOBS, terminates employment, refuses a bona fide offer of employment, or reduces earnings.
- B. No change.

- 1. No change.
- 2. No change.
- 3. No change.
- 4. A Department employee who handles fiscal processes related to the CA AFDC program, and
- 5. No change.
- C. No change.
- D. No change.

R6-12-808 Identification Card

Upon request by a recipient, the Department shall issue the recipient an identification card or an electronic benefit transfer card at no cost. The Department shall keep a photograph of the recipient in the recipient's file after issuing an identification card or an electronic benefit transfer card.

ARTICLE 9. CHANGES; ADVERSE ACTION

R6-12-903. Determining Benefits When Adding or Removing a Member

- A. When the Department receives a request to add a member to the assistance unit, or is required to add a mandatory member, the Department shall redetermine eligibility including the added member. assistance unit shall file an application.
- B. Upon receipt of an application, the Department shall redetermine eligibility for the unit, including the new member.
 - 1. No change.
 - 2. No change.
 - 3. If the unit remains eligible, the Department shall add the new member, effective the date the Department receives the request to add the member. month the application is filed, and shall include the new member's income in the budget.
- B. C. In the month a new member is added, the assistance unit may be eligible for an additional benefit amount or liable for an overpayment. To determine the unit's entitlement or liability, the Department shall:
 - 1. No change.
 - 2. No change.
 - 3. No change.

R6-12-905. Ineligibility Date for an Assistance Unit

No change.

- 1. On the 1st day of the same month in which any of the following events occurs:
 - a. Acquisition of resources in excess of the resource limitations specified in Article 4;
 - b. Violation of the labor strike restrictions specified in R6-12-604,
 - b. c. Receipt of lump sum income as set forth in R6-12-505;
 - c. d. Receipt of income in excess of the 185% income maximum as specified in R6-12-702; or
 - d. e. The addition of a mandatory assistance unit member.
- 2. No change.
- 3. On the 1st day of the 1st month in which the assistance unit is not eligible on the date CA AFDC benefits are paid when the unit is rendered ineligible for reasons not specified in subsections (1) or (2) above.

R6-12-906. Ineligibility Date for an Individual Member of an Assistance Unit

Ineligibility for an individual member of an assistance unit begins on at the time described below:

- 1. On the 1st day of the 1st month the member can be removed after timely notice of adverse action, but no later than the 2nd month following noncompliance with the following requirements:

- a. Participation in JOBS pursuant to R6-12-313, or
 - b. Cooperation with support enforcement efforts pursuant to R6-12-311.
2. On the 1st day of the 1st month in which the member is not eligible on the date CA AFDC benefits are paid when the member is rendered ineligible for any reason reasons not specified in subsection (1) above.

R6-12-907. Notice of Adverse Action

- A. No change.
- B. No change.
- C. No change.
- D. No change.
 - 1. No change.
 - 2. No change.
 - 3. No change.
 - 4. No change.
 - 5. No change.
 - 6. A CA AFDC child is legally removed from home or voluntarily placed in foster care by the child's parent or legal guardian; or
 - 7. No change.

R6-12-908. Referral for Investigation

- No change.
- 1. No change.
 - 2. No change.
 - 3. No change.
 - 4. The FAA suspects the commission of theft or fraud related to CA AFDC or any conduct listed in A.R.S. § 46-215.

ARTICLE 10. APPEALS

R6-12-1001. Entitlement to a Hearing

- A. An applicant for or recipient of CA AFDC is entitled to a hearing to contest the following Department actions:
 - 1. No change.
 - 2. No change.
 - 3. No change.
 - 4. No change.
 - 5. No change.
 - 6. No change.
 - 7. No change.
- B. No change.

R6-12-1003. Hearing Requests; Preparation and Processing

- A. No change.
- B. No change.
- C. No change.
 - 1. No change.
 - 2. No change.
 - 3. No change.
 - 4. No change.
 - 5. Citations to the specific provisions of the Department's CA AFDC manual which support the Department's action; and
 - 6. No change.
- D. No change.
- E. No change.

ARTICLE 11. OVERPAYMENTS

R6-12-1103. Methods of Collection and Recoupment

- A. No changes.
- B. If the repayment reduces the unit's benefits to 0, the unit shall remain eligible for CA AFDC for all other purposes.
- C. No changes.

ARTICLE 12. INTENTIONAL PROGRAM VIOLATION

R6-12-1201. Intentional Program Violations (IPV); Defined

- A. An intentional program violation (IPV) is an action by an individual, for the purpose of establishing or maintaining the family's eligibility for CA AFDC or for increasing or preventing a reduction in the amount of the grant, which is intentionally:
 - 1. No change.
 - 2. No change.
- B. No change.

ARTICLE 13. JOBSTART

R6-12-1301. Scope

The Department shall operate a wage subsidy program entitled JOBSTART on a statewide basis, the JOBSTART demonstration project in geographic areas served by the Eloy, Casa Grande, and Coolidge FAA local offices under authority granted pursuant to Laws 1994, Ch. 301, §§ 2 to 17 and 19.

R6-12-1302. Definitions

The following definitions apply to this Article unless the context requires otherwise:

- 1. "Adjusted gross monthly wages" means the gross monthly wages a person receives from a JOBSTART-subsidized placement after deductions for federal and state income taxes and Federal Insurance Contributions Act (FICA) contributions.
- 2. Subsidized placement means a job with a public or private sector employer for which the Department reimburses the employer monthly for the wages paid to the participant the lesser of:
 - a. A fixed subsidy amount determined by the Department pursuant to the contract with the employer, or
 - b. The gross wages paid by the employer, with the cash value of the participant's AFDC and Food Stamp Program benefits.
- 3. Wage pool means a pool of diverted CA AFDC and Food Stamp Program benefits which are used to reimburse an employer for the monthly wages paid to a participant for up to 40 hours per week at the federal minimum wage.

R6-12-1303. Referral for Participation

FAA shall refer CA AFDC recipients who reside within the JOBSTART project area to JOBS for participation, unless the recipient is exempt from JOBS pursuant to R6-12-313(B).

R6-12-1303 R6-12-1304. Diversion of Benefits to Wage Pool

- A. When JOBS notifies FAA that JOBS has assigned a recipient to a JOBSTART-subsidized placement, FAA shall redirect the recipient's CA AFDC and Food Stamp Program benefits to the JOBSTART wage pool to reimburse the participant's employer for wages paid to the participant.
- B. The reimbursement shall equal the combined cash value of the AFDC and Food Stamp Program benefits which the recipient would otherwise be eligible to receive but shall not exceed the lesser of:
 - 1. The recipient's gross monthly earnings from the JOBSTART- subsidized placement, calculated as total hours worked times the participant's hourly wage rate; , or
 - 2. A fixed subsidy amount determined by the Department pursuant to the contract with the employer. The reimbursement shall not exceed 40 hours per week at the federal minimum wage.
- C. The Department shall divert the CA AFDC and Food Stamp Program benefits to the wage pool beginning with the calendar month following the month the participant 1st receives wages from the subsidized placement and shall continue diverting the

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benefits until the participant stops holding a subsidized placement.

R6-12-1304 R6-12-1305. Treatment of Income

- A.** The Department shall exclude as income the participant's gross monthly wages received from the subsidized job placement, ~~except that JOBSTART wages in excess of 40 hours per week at the federal minimum wage, and Income~~ income from other sources shall count pursuant to Article 4.
- B.** ~~The Department shall exclude as income any child support collections passed through to the assistance unit.~~

R6-12-1305 R6-12-1306. Supplemental Payments

- A.** No change.
1. The Department shall provide an advance supplemental payment to a JOBSTART participant if the adjusted gross wages the participant is expected to receive in a benefit month are less than the combined cash value of the CA AFDC and Food Stamp Program benefits which the participant is eligible to receive for that month.
 2. No change.
 3. The supplemental payment shall equal the cash value of the combined CA AFDC and Food Stamp Program benefits the participant is eligible to receive for the month minus the anticipated adjusted gross monthly wages from the subsidized placement.
- B.** No change.
- C.** No change.
1. The Department shall provide a reconciliation supplemental payment to a JOBSTART participant who receives less in adjusted gross wages in a benefit month

than the cash value of the combined CA AFDC and Food Stamp Program benefits which the participant is eligible to receive for that month due to a reduction in available work hours by the employer.

2. No change.
3. The reconciliation supplemental payment, plus the adjusted gross wages and any other supplemental payments already received for the benefit month, shall not exceed the cash value of the combined CA AFDC and Food Stamp Program benefits the participant was eligible to receive for the benefit month.

R6-12-1306 R6-12-1307. Sanctions

- A.** If a recipient fails or refuses to comply with JOBSTART participation requirements without good cause the Department shall:
1. ~~decrease~~ Decrease the CA AFDC grant using the progressive sanction process described in R6-12-316, by 50% for a minimum of 1 month, and
 2. ~~Bar the recipient from further JOBSTART participation.~~
- B.** No change.
- C.** No change.
- D.** The Department shall apply the appropriate progressive sanction 50% benefit reduction against the monthly CA AFDC benefit amount the assistance unit is entitled to receive for the month the sanction is applied.
- E.** The progressive sanction 50% benefit reduction shall continue for a minimum of 1 month and until the person complies with JOBS requirements or becomes exempt from JOBS participation.